Daily Report

Central Eurasia

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ITAR-TASS Carries Press Review for 9 Nov

LD0911092294 Moscow ITAR-TASS in English 0648 GMT 9 Nov 94

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow November 9 (ITAR-TASS)—The ROSSIYSKAYA GAZETA newspaper carries as its top priority material full texts of the report by the state commission investigating the rouble collapse on October 11 and of the decision by the Russian Security Council on the results of this commission's work.

Writing about a response by commercial banks to these documents, the NEZAVISIMAYA GAZETA newspaper expresses opinion that inspection of their transactions in connection with "the Black Tuesday" on October 11 "will not, of course, yield any results".

The IZVESTIYA newspaper writes that the week-long difficulties with petrol in Moscow repeat the scenario of "the Black Tuesday". According to the daily, people are inclined to think that the shortage, as it was many times in the past, was engineered so that people would regard a coming price hike as a great boon.

The TRUD newspaper notes that the petrol price was raised on Tuesday. "But will it keep at this level?," the newspaper asks. According to the KOMSOMOLSKAYA PRAVDA newspaper, oil refineries are waiting for petrol prices to go even higher.

Mindful of the petrol fever in Moscow, IZVESTIYA draws an unfavourable conclusion: Russia has gone not very far on the road of market reforms.

The Russian press pays considerable attention to the recent reshuffling of the government. IZVESTIYA notes that this reshuffling was directly connected, for the first time, with "emergency events in the country—the collapse of the national currency".

The newspaper writes in another article that "all this ballyhoo, all this fuss which was going on on the Russian political scene, ended in a flop.

"No radical political changes as a result of resignations and appointments took place, which gives grounds to conclude: they were mostly a result of clashes of private interests among the president's aides rather than a result of the struggle of ideas."

A similar viewpoint is expressed by the PRAVDA newspaper, saying that "no changes of principle are taking place in the government course".

Speaking of the appointment of Anatoliy Chubays, chairman of the State Property Committee, as first vice-premier, KOMSOMOLSKAYA PRAVDA cracks a caustic joke: the privatisation campaign ended with "Chubays privatising a soft job".

IZVESTIYA writes concerning an explosion last Sunday on a railway bridge across the Bruozhole river 35 kilometers from Vilnius that this terrorist act which could have caused a disaster, "aggravates Lithuanian-Russian relations".

The NOVAYA YEZHEDNEVNAYA GAZETA newspaper quotes a statement by Sergey Yushenkov, chairman of the State Duma (Russian parliament lower house) Defence Committee, on the problem of military conscription.

He said that if some postponements from conscription are not repealed, "the army will be left without soldiers".

IZVESTIYA prints extracts from the manuscript "state and evolution" by Yegor Gaydar where the author, according to the newspaper, both explains regularities of a market economy and examines "the development of two civilisations: West European and Eurasian, Russian".

The army KRASNAYA ZVEZDA newspaper timed one of its articles to the 75th birthday of outstanding arms designer Mikhail Kalashnikov whose arms, as the newspaper claims, are used by the better half of the world.

A review in TRUD is devoted to the memoirs by outstanding balerina Maya Plisetskaya.

In their articles on international affairs, Russian newspapers give much attention to the by-elections to the U.S. Congress. KRASNAYA ZVEZDA writes about strategic cooperation between the United States and China at a new stage.

IZVESTIYA reports in connection with the coming forum of Asia-Pacific economic cooperation to be held in Bogor, Indonesia, that "the debate on the future of the Pacific region will be held without Russia".

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Reportage on Kozyrev Talks With Iraq's 'Aziz

Kolokolov Says Iraq Initiated Talks

LD0811151994 Moscow INTERFAX in English 1403 GMT 8 Nov 94

[FBIS Transcribed Text] Talks between Russian Foreign Minister Andrey Kozyrev and Iraqi Vice Premier Tariq 'Aziz will be held at the request of the Iraqi side, Russia's Deputy Foreign Minister Boris Kolokolov told Interfax. In this light, " 'Aziz made urgent arrangements for a working visit to Moscow," he said.

Kolokolov said that during the meeting with Kozyrev in Baghdad on October 13, President Saddam Husayn pledged to recognize the sovereignty and borders of Kuwait in accordance with Security Council Resolution No. 833.

"The UN Security Council demanded, however, that Husayn's official statement be properly documented i.e. approved by the Council of the Revolutionary Command and ratified by the Iraqi parliament," said Kolokolov. " 'Aziz told Kozyrev in New York in the mid-October that he was not ready to consider the Security Council's demand and that he needed to discuss it with President Husayn." Given the importance of the issue, Kozyrev agreed to this but said Iraq was "losing time," Kolokolov continued.

Kolokolov expressed the opinion that 'Aziz has brought the Iraqi leader's response to Moscow.

"We shall see what it is about," he went on to say. "The discussion may concentrate on Baghdad's further moves to settle the crisis, caused by Iraq's recent military maneuvers near the Kuwaiti border," he said.

He emphasized that Russia intended to continue the dialogue with Iraq.

Commenting on Russia's position on the possibility of lifting sanctions against Iraq, including the oil embargo, Kolokolov said, "We are guided by the belief that the lifting of the oil embargo will ultimately meet the interests of Iraq and other countries as well. Thirty percent of the oil revenues would go to the compensation commission for making compensation payments to Kuwait and other countries, including Russia," he said.

He also pointed out that the international community should adequately respond to Baghdad's positive steps. "We understand, though, that the situation deteriorated after Iraq's recent military maneuvers," he said.

Kolokolov could not say for sure how long 'Aziz will be staying in Moscow.

Kozyrev To Visit Baghdad 9 Nov

LD0811153494 Moscow ITAR-TASS World Service in Russian 1515 GMT 8 Nov 94

[By ITAR-TASS diplomatic correspondent]

[FBIS Translated Text] Moscow, 8 Nov—Iraq may in the next few days officially recognize Kuwait, an ITAR-TASS correspondent learned today from informed sources. According to information from these same sources, this may occur during Andrey Kozyrev's visit to Baghdad. The Russian foreign minister will be flying to Baghdad on Wednesday afternoon for talks with the Iraqi leadership. The head of the foreign political department made this decision following talks here today with Iraqi Deputy Prime Minister Tariq 'Aziz.

Saddam Message Sends Message to Yeltsin

LD0811160094 Moscow ITAR-TASS World Service in Russian 1543 GMT 8 Nov 94

[By unidentified ITAR-TASS diplomatic correspondent]

[FBIS Translated Text] Moscow, 8 Nov—Iraqi Deputy Prime Minister Tariq 'Aziz, who is staying on a visit in Moscow, has handed over to Russian President Boris Yeltsin a message from Iraqi President Saddam Husayn. As pointed out in a statement for the press, which has come into the ITAR-TASS office from the Russian Foreign Ministry, the message was handed over in connection with the acknowledgement by Iraq of Kuwait's sovereignty and its borders under UN Security Council Resolution 833.

The head of the Russian state instructed the Russian Foreign Minister Andrey Kozyrev to fly out to Baghdad in the immediate future to take part in completing appropriate constitutional procedures.

Iraq To Recognize Kuwaiti Sovereignty

AU0811163694 Paris AFP in English 1619 GMT 8 Nov 94

[FBIS Transcribed Text] Moscow, Nov 8 (AFP)—The Russian Foreign Ministry said Tuesday [8 November] that Iraq recognizes the sovereignty and territorial integrity of Kuwait as ordered by the United Nations.

Iraq's deputy prime minister, Tariq 'Aziz, gave Russian Foreign Minister Andrey Kozyrev a letter recognizing the sovereignty and frontiers of Kuwait in compliance with UN Resolution 833, the ministry said in a statement faxed to AFP.

But analysts noted that the decision would have to be confirmed by the Iraqi parliament, the Revolutionary Council and the ruling Ba'athist Party.

The letter was from Iraqi President Saddam Hussein and addressed to Russian President Boris Yeltsin, the ministry said.

The letter contains "the recognition by Iraq of the sovereignty of Kuwait and its frontiers, conforming with resolution 833," the statement said.

UN resolution 833 calls on Baghdad to recognise the territorial integrity of Kuwait, which Iraqi troops invaded in August 1990 and occupied before being expelled by a US-led international coalition in February, 1991.

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Yeltsin has ordered Kozyrev to leave shortly for Baghdad to take part in the "constitutional procedures" connected to the recognition of the sovereignty of the tiny, oil-rich emirate, the foreign ministry said.

The latest move comes after Kozyrev on October 13 said he had received assurances during a meeting with the Iraqi president that Baghdad was ready to recognise Kuwait's borders.

Kozyrev's mission, which came amid a standoff between US forces and Iraqi soldiers dispatched close to the Iraqi border, was criticised by Washington which obtained a UN resolution insisting on a withdrawal of Iraqi forces and demanding that Iraq recognise Kuwait's borders.

The UN Security Council is to review next Monday the issue of crippling sanctions against Iraq as it has done every two months since they were imposed after the 1990 invasion.

The review will be preceded by an oral presentation on Friday by Rolf Ekeus, the head of a special UN commission monitoring Iraq's military capacity.

UN diplomats here say that several members of the Security Council, including China, France and Russia, will seek to have the oil embargo against Iraq lifted in six months if Baghdad agrees to recognize Kuwait's borders.

Kozyrev Reports to Yeltsin

LD0811164494 Moscow INTERFAX in English 1601 GMT 8 Nov 94

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] After a meeting with Iraq's Deputy Premier Tariq 'Aziz in Moscow Tuesday afternoon, Russian Foreign Minister Andrey Kozyrev has gone to the Kremlin (without calling at the foreign office) to tell President Boris Yeltsin of the results of the talks with 'Aziz. This has become known to Interfax from reliable diplomatic sources. The Russian foreign department has so far preferred not to divulge the content of the two hour long closed door discussion between Kozyrev and 'Aziz on the grounds that "its results are in the process of being considered."

Deputy Russian Foreign Minister Boris Kolokolov earlier told Interfax the Moscow meeting had been initiated by the Iraqi side. He suggested that Kozyrev and 'Aziz might have considered a response by the Iraqi leadership to the UN Security Council's demand to translate a commitment to recognize Kuwait's sovereignty and frontiers into law.

Such a pledge was given by Iraq's President Saddam Husayn when he met Kozyrev in Baghdad on October 13. Kozyrev visited the capitals of Iraq and other Persian Gulf states on President Yeltsin's personal instruction.

AFP—'Text' of Recognition of Kuwait

AU0811185194 Paris AFP in English 1811 GMT 8 Nov 94

[FBIS Transcribed Text] Moscow, Nov 8 (AFP)—The text of the Russian Foreign Ministry statement, translated by AFP from Russian, announcing Tuesday [8 November] that Iraq has recognized the sovereignty and borders of Kuwait, as demanded by the UN resolution 833:

"Deputy Prime Minister of Iraq Tariq 'Aziz was in Moscow on November 8 of this year. He delivered a letter to Russian Federation President Boris Yeltsin from Iraqi President S. Husayn on the occasion of the recognition by Iraq of the sovereignty of Kuwait and its borders in accordance with [UN] Resolution 833.

"President B.N. Yeltsin ordered the Russian Federation's minister of foreign affairs (Andrey Kozyrev) to fly to Baghdad shortly to take part in the finalisation of the corresponding constitutional procedures."

Kozyrev Discusses Iraq Issues

LD0811222694 Moscow Ostankino Television First Channel Network in Russian 1840 GMT 8 Nov 94

[Interview with Foreign Minister Andrey Kozyrev by unnamed correspondent; first paragraph is announcer's introduction; place and date not given; from the "At First Hand" program—live or recorded]

[FBIS Translated Text] [Announcer] Russian policy in the Near East: One cannot maintain that this problem has become the center of attention recently, for it has been and remains at the center of attention of the powers that be, politicians, the military, historians, journalists, inhabitants of the political Olympus, and the opposition. Russia's policy in the Near East is being criticized today from both right and left. By some, for betraying national interests in order to please our western partners; by others, for exactly the opposite, for betraying our western partners to please national interests.

[Kozyrev, shown seated in chair in office] Here we are pursuing not so much the interests of the west or the east as—and above all else—Russia's own interests. They boil down to the fact that we need peace in this region. Peace in this region takes form out of peace between Israel and her neighbors. Furthermore, the situation between Iraq and Kuwait is a burden on the broader situation in this region. Four years ago Iraq committed aggression against Kuwait. Because of this Security Council sanctions were imposed on Iraq, and we are striving to ensure that Iraq fulfills the Council's demands, especially that of recognizing the independence of the borders of its neighbouring state, Kuwait, and that the sanctions would be gradually lifted.

This would be a contribution to peace, but—I make no secret of this—all this meets our economic interests, too. If one is speaking about Iraq, then it owes us over $7 billion. And the chances of these dollars being returned will emerge when Iraq is able to sell its oil, and this means when the sanctions are lifted, and thus the circle is formed.

[Correspondent] Let us examine, then, the allegations in turn. It is being maintained that Russia's attempt to bring Iraq to the conference table may be seen by our

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western partners as some kind of separatism, which will rouse natural indignation and which, in turn, will affect the size of western investment in Russia's economy.

[Kozyrev] Well, there are two sides here. In the first place, we cannot, and we have never linked and will not link our foreign policy or any activity, or any political decisions with western aid. First, this aid is not so great, and, second, it is being given to us not according to how poor we are, but on the basis of mutual aid, or, to put it more precisely, self-help, even. Because the west understands that the quicker—never mind, we will still be able to deal with the reforms, I am sure of that, even without western assistance, but, of course, it will be quicker and more effective with western aid. But this means that the conditions for western investment and for an expansion of the market will be created more quickly. In other words, these are investments which, in the long term, will not sink into the sand.

We are raising the issue not of humanitarian aid—in other words, a piece of bread—we are raising the issue of such forms of inter-action which at the end of the day will be in the interests of the United States, the west, and the whole of the international community, and will unlock the Iraq situation. Why? Because the more negative attitudes, and, in particular, sanctions, there are accumulated, the more the population will be hit. For in poverty lie the roots of extremism, the roots of war, terrorism and whatever you like. But, on the other hand, prosperity, as a rule, creates conditions for a more moderate policy. Therefore, sanctions should not be aimed at forcing Iraq into a blind alley when it will start to rage like a wild beast which has been injured or has been chased into a corner from which there is no escape. What is more, this would be quite immoral, because it is the people most of all who suffer from economic sanctions. And in the population—let's say—there are women, children, old people, i.e. the weaker social strata, but these strata have the least possibility—they suffer most of all—and they have the least influence on the leadership, because who listens to them, children, old people, and so on? And they can't even go on strike.

[Correspondent] However, such trifles will hardly worry our irreconcilable opposition. And their demands, addressed to Russia's foreign policy department, are imbued with the spirit of quite a different kind of alliance.

[Kozyrev] Our opposition would like us not to demand that Iraq fulfils any of the UN decisions, but simply that we demand the lifting of sanctions and establish full-scale relations—weapons, and so on and so forth—in other words, look, this is our ally whatever it might have done. Well the key fundamental difference here between what we are doing and what the opposition is demanding is that we are posing the question very clearly and very firmly, and the Iraqi leadership, it would seem, is beginning to take it on board. What we are saying is this: Take major steps, recognize the neighboring state, and then people in the world will say that Iraq really is becoming a peaceful state.

[Correspondent] However, scarcely just are those arguments that the problems of Russia's foreign policy in the Near East have been caused merely by rejection of compromise on the part of, on the one hand, its western partners, and on the other hand, of the irreconcilable Russian opposition.

[Kozyrev] I do not hide the fact that there are quite serious differences in approach. Some people believe that they are linked with the fact that our economic interests are linked with Iraqi oil, because debts are returned. But the economic interests of some of our western partners are more focused on the oil of neighboring states, for whom Iraq is, of course, not a desirable competitor on the oil markets. That's the first explanation. The second explanation consists of the fact that our western partners in this instance have assumed a moralist and absolutist position. In the first place, how can one do business with a dictatorship? Indeed, if we proceeded from this position—all or nothing—and had nothing to do with leaders whom we do not like for one reason or another, then nothing would ever get done and, in particular, next door, in the Near East, nothing would happen.

The same thing applied a few years ago when the head of the PLO was being called in the west nothing other than the leading terrorist of the 20th century. Today, they have managed to draw him into this process. And, incidentally, two or three years ago, we said to our western colleagues: Recognize 'Arafat, you have to work with him, you must show him the way, you have to show the PLO which way to turn. And perhaps they really will. Well, look, those years have passed, and today 'Arafat is no longer a terrorist, even to the west, but a Nobel Peace Prize winner.

I think that this nervousness on the part of our western partners is understandable; perhaps they found Russia's independent role somewhat unexpected, although travelling in principally the same direction—our goals are the same: peace and economic prosperity—but, perhaps, it seemed to them too independent. Perhaps it seemed to them that it would have been better if they themselves had done all this at the time and how they would have wished to. But, we never said that our partnership was of one leader—the west—and a second, one who was being led, so to speak.

Iraqi Embassy Denies 'Aziz Met With Israelis

LD0911111594 Moscow ITAR-TASS World Service in Russian 1015 GMT 9 Nov 94

[By ITAR-TASS diplomatic correspondent Yuriy Tyssovskiy]

[FBIS Translated Text] Moscow, 9 Nov (ITAR-TASS)—In a statement for the press which was sent to ITAR-TASS today the Iraqi Embassy in Moscow denies some of the media "speculations" that Iraqi Deputy Prime Minister Tariq 'Aziz allegedly met with "Zionist officials" on Tuesday. The occasion which led to these reports was that the journalists allegedly saw on Tuesday that a car carrying the Iraqi official and a limousine with an Israeli flag and carrying diplomats arrived simultaneously at the Foreign Ministry building on Aleksey Tolstoy Street.

In the statement these reports are described as "a lie and absolutely untrue." The embassy expressed the conviction

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that there are forces behind the speculations which do not want to see relations between Russia and Iraq improve.

In circles close to the Iraqi Embassy in Moscow, the ITAR-TASS correspondent was told certain details of "the constitutional procedures" to be attended in Baghdad by Russian Foreign Affairs Minister Andrey Kozyrev, who is leaving for Iraq today. According to the sources, at a special session the Iraqi parliament will pass a decision recognizing the sovereignty of Kuwait and its borders, and this will be endorsed by the country's top official instances. Thus, the sources stressed, the demand in UN Security Council resolution 833 on the issue of relations between Iraq and Kuwait will be met. It is known that representatives of the United States and Britain on the UN Security Council, in rejecting the possibility of lifting sanctions against Iraq, point primarily to Baghdad's failure to fulfill this demand. The sources did not rule out the possibility, however, that Washington and London would resort to other methods of sabotaging the lifting of the oil embargo by raising, for example, the issue of the observation of human rights in Iraq. While praising the role played by Russia, which is insisting on incentives for Baghdad if it unswervingly fulfills the demands of the world community, they noted that Russian diplomacy faces a very complex and difficult dialogue with certain members of the UN Security Council when the problems of Iraq's compliance with UN Security Council resolutions are examined. Much depends on the report by Rolf Ekeus, executive chairman of the UN special commission to oversee the destruction of Iraq's weapons, which he is due to give soon. The sources stressed that Iraq is complying fully with the UN Security Council's "disarmament" resolutions, which has been confirmed several times by the Russian side.

IBRD Intends To Grant $3 Billion in 1995

LD0811163094 Moscow ITAR-TASS World Service in Russian 1500 GMT 8 Nov 94

[By ITAR-TASS correspondent Oleg Velichko]

[FBIS Translated Text] Moscow, 8 Nov—The International Bank for Reconstruction and Development (IBRD) has confirmed its intention to grant Russia $3 billion in 1995. An agreement on this issue was reached during today's meeting between Russian Government Chairman Viktor Chernomyrdin and IBRD President Lewis Preston. According to the prime minister, Russia has entered a phase of financial stabilization and structural reconstruction.

After the meeting ended, First Deputy Finance Minister Andrey Vavilov explained that next year the Russian side will seek to get a second rehabilitation loan of $600 million and 500 million for carrying out a social policy, as well as 600 million for the reform of the agro-industrial complex. According to Preston, the new loans will be granted on advantageous terms and will be targeted. By the way, Russia's debt to the World Bank amounts to $1.5 billion.

Vavilov reported that the question of coordination with international bodies was also dealt with at the meeting. According to him, it will be carried out by the Russian Ministry of Finance.

UN Delegate Voices Opposition to Lifting Bosnia Embargo

LD0911092194 Moscow ITAR-TASS in English 0800 GMT 9 Nov 94

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Transcribed Text] United Nations November 9 TASS—"The lifting of the embargo on arms deliveries to the Bosnian Moslems would be fraught with the most negative consequences for the political process, for further humanitarian aid to the population of Bosnia and Herzegovina, for the U.N. peace-making operation, in which Russia is taking part," Russian permanent delegate to the United Nations Sergey Lavrov said on Tuesday in the course of the U.N. Security Council's open debate on the situation in Bosnia and Herzegovina.

Noting that the discussion of the situation in Bosnia and Herzegovina in the Security Council was "proceeding against the background of a sharp escalation of hostilities between the conflicting sides", Lavrov said: "We are seriously disturbed by the fact that the current spiral of the escalation of hostilities in Bosnia, as testified by the available information, is largely due to the continuing deliveries of arms to Bosnian Government troops in violation of the military embargo". He recalled once again that the "Bosnian conflict cannot be resolved by military means and a political settlement through negotiations is the only realistic way to achieve peace".

The Russian delegate pointed out that the Security Council's decision to toughen sanctions against the Bosnian Serbs for rejecting the map of territorial division proposed by the "Contact Group", simultaneously with a partial suspension of sanctions against the United Republic of Yugoslavia, which had backed the peace plan, "are contributing to the peaceful settlement of the conflict". "We must admit that today Belgrade is an ally of the international community in its effort to bring more pressure to bear on the Bosnian Serb leadership in order to make it accept the only possible compromise decisions, no matter how difficult this may be," Lavrov stated.

He called the attention of the Security Council to the alarming use by Bosnian Moslems of the "security zones", from which they are launching attacks and provocations against the Serbs, thereby endangering the lives of the civilian population residing there. "It is apparently high time to make some corrections in the concept and regime of the 'security zones'," Lavrov pointed out.

He stressed that "Russia is firmly convinced that every peaceful effort should be backed by every possible means, that the sides should be encouraged to accept the proposals of the 'Contact Group'." "In our opinion, these proposals, parallel with corresponding resolutions

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of the Security Council, provide a realistic foundation for a lasting peaceful settlement, based on principles of fairness, unbiased approach, and equal rights for all the sides" involved in the conflict.

Shumeyko in Favors Protection of Foreign Investment

LD0811223294

[FBIS Editorial Report] Moscow Ostankino Television First Channel Network in Russian at 1800 GMT on 8 November broadcasts in its "Novosti" newscast a video report by Vlada Vishnevskaya from Seoul, in which she notes that Russian-South Korean relations have been developing well in recent years.

Vishnevskaya says: "However, as often happens, amongst the many positive factors there is always one negative one. In this case it is the absence in Russia of a legislative basis to provide incentives for the inflow of foreign capital and protect it. This was one of the main themes during the meeting Federation Council Chairman Vladimir Shumeyko had with ROK President Kim Yong-sam and Parliament Speaker Hwang Nak-chu.

"Partnership should, of course, should produce economic benefits. Russia and South Korea have their own interests in this sphere. However, our short-sightedness in the sphere of legislative activity has led many South Korean companies to leave Russia for Kazakhstan and Uzbekistan, where the laws protect foreign capital investments."

The video report ends with a recording of Shumeyko saying: "Changes should take place in Russia soon. At least when both chambers of the Russian parliament confirm the budget, the government promises on the same day to submit new tax legislation which will do away with the principle of double taxation of foreign investment. This is what we hope for."

Panov on Soskovets Nov Visit to Japan

OW0811153294 Moscow Voice of Russia World Service in Japanese 1110 GMT 7 Nov 94

[Report on interview with Deputy Foreign Minister Aleksandr Panov by station reporter Garimov; time and place not given—from the Voice of Russia program "Russia Aiming at Developing Its Relations With Japan"]

[FBIS Translated Text] A visit to Japan by Russian First Deputy Prime Minister Soskovets scheduled for late November will become an important step in carrying out the Tokyo declaration, signed during President Boris Yeltsin's visit to Japan last year. This was disclosed by Deputy Foreign Minister Aleksandr Panov in his interview with reporter Garimov of the Voice of Russia.

According to Vice Foreign Minister Panov, the most significant stance in the Tokyo declaration indicates that Russia and Japan have agreed to take concrete measures to overcome the negative factors in Russian-Japanese relations, which have so far remained under a dark cloud. In Tokyo, Russia and Japan agreed that it would be necessary to promote talks on concluding a peace treaty, including the settlement of the territorial issue.

Realistically and objectively speaking, the territorial issue does exist. In settling this issue, a resolution should be first worked out on the basis of taking all concerned factors into consideration, and one of the factors lies in the need to bring about an entirely new atmosphere in bilateral relations. First Deputy Prime Minister Soskovets' visit to Japan will be the first concrete step toward this end.

Now, please listen to what Vice Foreign Minister Panov said. Vice Foreign Minister Panov has stated:

[Begin Panov recording in Russian fading into Japanese translation] In Russia's view, First Deputy Prime Minister Soskovets' visit to Japan will become a historical one. No matter which country the vice prime minister visits, a visit at the vice prime ministerial level is far more important than visits by officials at the general level. Under the pretext of the existence of the territorial issue, the Japanese Government has not so far conducted any consultations [with Russia] at a high-ranking official level on various problems connected with the development of cooperative relations in trade, the economy, and science and technology. The Japanese Government has never extended official invitations to ministers of various Russian ministries or high- ranking government officials.

Nevertheless, the situation is now undergoing rapid changes in various fields. Russian-Japanese negotiations have now been upgraded to a very high level. We should welcome this progress. Russia expects that documents consisting of five or six agreements will be signed, and hopes that very significant and comprehensive documents, including all these agreements, will be signed. When viewed from the standpoint of achieving a turning point in political relations, the signing of these documents will probably become a great advance in the history of both Russia and Japan. This is because closer relations in trade, the economy, and science and technology between our two countries will lead to promotion of far more favorable relations. [end recording]

This is what Deputy Foreign Minister Panov has stated.

Moreover, Deputy Foreign Minister Panov called attention to the fact that both the Russian and Japanese Governments have been engaged in positive preparations for First Vice Prime Minister Soskovets' upcoming visit to Japan. Thus, he has resolutely denied the view that the Russian Foreign Ministry has neglected preparations for the upcoming visit. Furthermore, Deputy Foreign Minister Panov has clearly stated that concerning Russia's policy toward Japan, no differences in views exist within the Russian Foreign Ministry nor within the Russian Government.

Vice Minister Panov of the Russian Foreign Ministry stressed that this speculation reported by the Japanese mass media does not conform to fact; that it is an

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advantage to those who oppose the development of bilateral relations; and that it is nothing but an attempt to degrade the significance of First Vice Prime Minister Soskovets' visit to Japan.

We have just broadcast a program entitled: Russia Aiming at Developing Its Relations With Japan.

Davydov Says West Must Write Off Debts

LD0911115394 Moscow ITAR-TASS World Service in Russian 1120 9 Nov 94

[FBIS Translated Text] Moscow, 9 Nov (ITAR-TASS)—Foreign Economic Relations Minister Oleg Davydov, who was appointed a deputy prime minister today, will be responsible for the talks with Western creditors on questions of Russia's foreign debt. Journalists were told this by Prime Minister Viktor Chernomyrdin last week after the resignation of Aleksandr Shokhin, who was in charge of this problem.

In the summer this year, Oleg Davydov said in an interview with ITAR-TASS that "the West must reconcile itself with Russia's debts and write them off."

He explained his view by the fact that Russia has done much more for Europe than other states. Particularly invaluable is Russia's contribution to strengthening the global policy of disarmament. "Fifty percent of Bulgaria's and Poland's debts have been written off," Davydov said. "So why does the same not apply to Russia?"

He also believes that Russia itself cannot compensate for the losses connected with the troop withdrawal from Europe.

Commentary Views U.S. Military Policy Overseas

LD0811133394 Moscow Voice of Russia World Service in English 1210 GMT 8 Nov 94

[Yuriy Zhuravlev commentary]

[FBIS Transcribed Text] The United States defense ministry said on Monday that by 1 December 6,000 American military would be withdrawn from Haiti. As for Kuwait, practically all U.S. ground troops will return home from there by the end of the year. They were sent to Kuwait in October after Iraq concentrated its military units on the border with that country. Here's an opinion from our commentator Yuriy Zhuravlev on the partial withdrawal of U.S. troops from Haiti and Kuwait:

Official representative of the Pentagon, who reported about the partial withdrawal of U.S. troops from Haiti and Kuwait made reference to President Bill Clinton's decision on the matter. The political undercurrent of the move is quite clear - it is linked to the forthcoming intermediate elections to the Congress. The issue of troop withdrawal from Haiti was under discussion for several weeks. As is known, the United States intended from the beginning that the troops' stay in Haiti would not be long. In addition, it is hard to find justification for keeping an 8,000-strong contingent in Kuwait now that the situation in the Persian Gulf has stabilized.

So, the decision to withdraw was taken at an opportune moment to favourably impress the American voters on the eve of elections. The decision to withdraw tends to be a positive move, but there is one point to it - the Pentagon intends to withdraw the bulk of its ground troops from Kuwait; however, it plans to preserve the air might to the full to ensure control of the so-called banned air zones in the north and the south of the country.

According to a Pentagon military official, over 100 U.S. aircraft will be deployed in Kuwait. In addition, the United States will replenish its warehouses in that country. One is reminded here of the US military manoeuvres in the north of Kuwait, near the Iraqi border. These were actually a rehearsal of an operation to deliver preventive blows on Iraq. Such military maneuvers, that will be regularly held in the future, and a permanent deployment of U.S. attacking aircraft in the Persian Gulf, can hardly help return to normal the situation in the region. All this rather shows the United States makes a stake on a solution of international problems through the use of force, writes our commentator Yuriy Zhuravlev.

Correction to Russia, DPRK To Discuss Nuclear Cooperation

LD0411202094

Moscow INTERFAX in English at 1646 GMT on 4 November corrects as follows the item "Russia, DPRK To Resume Discussing Nuclear Power Cooperation" published on page 8 of the 7 November Central Eurasia DAILY REPORT: Column two, paragraph two reads ...Russia's Deputy Foreign Minister Aleksandr Panov... (correcting title)

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Political Issues

Yeltsin Issues Edict on New POW Commission

LD0811182694 Moscow ITAR-TASS in English 1709 GMT 8 Nov 94

[FBIS Transcribed Text] Moscow November 8 TASS—Russian President Boris Yeltsin issued a decree "on commission under the president of the Russian Federation for prisoners of war, interned and missing persons" on Tuesday [8 November].

Its predecessor - a commission for investigating into disappearances of foreign citizens, who left no trace, and Russian citizens, who disappeared under unclear circumstances beyond the borders of the former Soviet Union - will be transformed.

Dmitriy Volkogonov will be in charge of the new commission.

The above-mentioned presidential decree confirms the statute of the commission.

Text of Yeltsin Letter on Powers of Judges

MM0911115194 Moscow ROSSIYSKIYE VESTI in Russian 9 Nov 94 p 1

["The Law Determines the Powers of the Judges—Appeal by the Russian Federation President to Heads of Executive Power and Leaders of Legislative (Representative) Organs of the Federation Components"; signed by Russian Federation President B. Yeltsin and dated 4 November]

[FBIS Translated Text] According to Articles 71 and 118 of the Russian Federation Constitution, questions pertaining to the judicial system are under the Russian Federation's exclusive jurisdiction. The legal system is established by the Russian Federation Constitution and the federal constitutional law.

The principles of the independence, inviolability, and irremovability of judges are enshrined in the Russian Federation Constitution: It is also stipulated that a judge's powers can be halted or suspended in no other way than according to the procedure and on the grounds set by the federal law.

At the same time, certain Russian Federation components are deviating from the provisions of the Russian Federation Constitution by investing judges with powers and elaborating normative acts on questions concerning the judiciary.

Given that the judiciary as an autonomous branch of state power is at the stage of formation and development, and work on preparing a draft federal constitutional law on the legal system in the Russian Federation is now drawing to a close, I deem it necessary to address to you a request to suspend the adoption of normative-legal acts on questions pertaining to the activity of courts and the empowerment of judges pending the promulgation of the relevant federal laws, and also to take measures to ensure that the normative-legal acts of Russian Federation components conform to the Russian Federation Constitution and federal laws.

[signed] B. Yeltsin

4 November 1994

Zhirinovskiy Seeks To Form New Government

LD0811153794 Moscow INTERFAX in English 1447 GMT 8 Nov 94

[FBIS Transcribed Text] Leader of the Liberal Democratic Party, Vladimir Zhirinovskiy, has called on the Russian president to authorize his party to form "a new government designed to save Russia". This follows Zhirinovskiy's letter published in the LDP-sponsored newspaper SOKOL ZHIRINOVSKOGO (Zhirinovsky's Falcon).

The LDP leader denied charges of warmongering in his controversial book, the Last Dash to the South. At the same time, Zhirinovskiy believes that Russia ought to "give protection to its southern neighbors".

The LDP leader accused "Western European fascists" of nurturing plans to capture Russia and assured that no Russian can be a fascist.

Agrarian Party Blasts Failure of 1995 Draft Budget

LD0811151594 Moscow INTERFAX in English 1403 GMT 8 Nov 94

[FBIS Transcribed Text] Deputy Chairman of the Russian Agrarian Party Aleksandr Mikhaylov accused the government of ignoring "the pressing problems of the village." In an interview with Interfax Tuesday he underlined that the cabinet failed to fulfil the economic demands of the All-Russia peasants rally held this summer and "does not intend even to listen" to them given the draft federal budget for 1995. This attitude explains "the tough" position of the agrarian deputies to the draft budget submitted to the State Duma for consideration, pointed out one of the leaders of the Agrarian Party.

He underlined that the Agrarian Party parliament group "is completely dissatisfied with the extremely low level of support to the agricultural-industrial complex reflected in the draft budget and which the government tries to make traditional."

According to Mikhaylov, in 1995 budget expenditures for state support to the agricultural-industrial complex are reduced three times compared to this year, the total of subsidies and compensations to be appropriated by the draft budget amounts to 800 billion rubles instead of the 3.3 trillion rubles needed by Russian agricultural producers. The document fails to allocate funds for

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introducing beneficial interest rates on bank credits for the agricultural sector and to ensure appropriate support for insurance against low crop yields.

The key points in the package of economic demands put forward by the participants of the All-Russia peasants rally, and adopted on August 25, 1994 at a rally in Moscow, are the following: preserving of this year's financing for the agricultural-industrial complex (state appropriations were to total 18.1 trillion rubles) and a delay in paying back credits till January 1, 1999 with their interest-free payment over the next five years.

State Duma To Consider 'Urgent' Measures Against Crime

LD0811205294 Moscow INTERFAX in English 1912 GMT 8 Nov 94

[FBIS Transcribed Text] The Council of the Russian State Duma instructed the parliamentary committees on security and legislation to consider taking urgent measures for strengthening the fight against crime and protecting the public. The State Duma will discuss the issue at its plenary morning meeting on Thursday [10 November], Speaker of the State Duma Ivan Rybkin told journalists.

Rybkin said that the heads of the law enforcement departments, the Federal Counterintelligence Service, the Russian Security Council, representatives of the president and the Federation Council would be invited to participate in the discussion of the issue.

Rybkin stressed that he did not want to prognosticate or predetermine the resolution which would be drafted by the parliamentary committees on security and legislation. He did not rule out, however, that after discussing the issue the State Duma could adopt a law which would be a logical continuation of the Russian president's anti-crime decree signed in June.

Rybkin said that Russian Interior Minister Viktor Yerin and Defense Minister Pavel Grachev were expected to speak to parliamentarians within the scope of the "governmental hour" in the State Duma on Friday evening. Rybkin said the plenary meeting of the State Duma on Wednesday would open only in order to honor the murdered parliamentarian Valentin Martemyanov after which parliamentarians will attend his funeral.

Military & Space Issues

Deputy Aviation Commander Faces Trial 22 Nov

LD0811181394 Moscow INTERFAX in English 1607 GMT 8 Nov 94

[FBIS Transcribed Text] The military board of the Russian Supreme Court is to start considering the case of Aviation Major General Nikolay Seliverstov, former first deputy commander of the Air Forces of the Western Group of Russian Forces (WGRF). The board told Interfax that the trial is to start on November 22 and will be chaired by Justice Maior General Lev Zakharov, a member of the Military Board.

Seliverstov is accused of the theft of large amounts of state property, of taking bribes, and of falsifications while concluding agreements with German commercial and public organizations. As a result of a preliminary investigation conducted by the main military prosecutor's office it was discovered that Seliverstov received bribes amounting to DM [German marks] 20,000 and robbed state funds totalling DM 64,100.

At present Seliverstov has given a written undertaking not leave the place of his residence.

The case will be considered at an open juridical sitting.

Duma Hearings To Start Soon

LD0811180594 Moscow INTERFAX in English 1607 GMT 8 Nov 94

[FBIS Transcribed Text] Parliamentary hearings into corruption charges of former Soviet troops deployed in Germany are to be held in two stages, head of the Duma defense committee Sergey Yushenkov of the Russia's Choice faction told Interfax. He said the parliament will sit in private in the first stage on November 17 during which sensitive papers will be revealed of the defense ministry, the prosecutor general's office (PGO), the counterintelligence service and other departments.

It is expected that the second stage to be held later this month or early next will be open.

Yushenkov spoke of having evidence that the PGO has reopened inquiry into the cases of army corruption outlined in the 1992 report by former head of the president's supervisory department Yuriy Boldyrev, now member of the Federation Council (the upper house of parliament).

On the recent dismissal of Deputy Defense Minister Matvey Burlakov, Commander of Soviet Troops in Germany until this August, Yushenkov suggested that Yeltsin would never taken the decision unless presented with "irrefutable evidence of army corruption."

He accused defense ministry spokeswoman Yelena Agapova of a loose interpretation of the presidential decree on Burlakov's dismissal saying the latter was only suspended from duty. Yushenkov said the decree makes no mention of suspension but indicates in no uncertain terms that the minister was dismissed with an aim of protecting the honor of the armed forces and in the light of investigations into army corruption charges.

For his part, head of the national security committee Viktor Ilyukhin of the Communist Party doubts that any new evidence will emerge following renewed investigations. "I do not see any big prospects given that investigators will have to deal with those who were bound to fight against corruption because of the posts they held", Ilyukhin told Interfax.

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The official said that Acting Prosecutor General Aleksey Ilyushenko will not be able to carry out genuine investigations because the case may lead to top officials with whom he worked before. Ilyushenko has already done his utmost to discredit findings by a GPO commission of inquiry led by his former deputy Nikolay Makarov, Ilyukhin said.

Possible Abuses Being Investigated

LD0811121994 Moscow INTERFAX in English 1157 GMT 8 Nov 94

[FBIS Transcribed Text] The office of the Chief Russian Military Prosecutor is investigating abuses by the military and civilians in the former Western Army Group, a spokesman for the office told Interfax on Tuesday. He said the former Commander-in-Chief of the group Colonel-General Matvey Burlakov is not yet on the list of suspects in the four cases under study.

The official failed to name the deadline for the investigations, saying only that it would not end in the next two or three months. According to him, it would require much more time.

At the office of the Prosecutor General Interfax was told it is also investigating cases related to the Western Army Group but refused to name the number of cases or suspects.

Last week President Boris Yeltsin issued a decree dismissing Burlakov from the duties of Deputy Defence Minister till the end of the investigations.

The Defence Ministry announced that depending on the findings Burlakov will either regain the post or "a different decision will be made with regard to him".

Yeltsin Dismisses Generals Following 5 Aug Air Disaster

LD0911115994 Moscow ITAR-TASS World Service in Russian 1104 GMT 9 Nov 94

[By ITAR-TASS correspondent Aleksandr Nechayev]

[FBIS Translated Text] Moscow, 9 Nov—President Boris Yeltsin has issued a decision dismissing two Air Force generals from their posts following the military transport aircraft disaster on 5 August 1994, which took 47 lives, ITAR-TASS has been told today by Petr Deynekin, commander in chief of the Russian Air Force.

The dismissal of top military commanders from their posts is the direct prerogative of the president, he stressed.

This decision by Yeltsin, which he made on the basis of a report from the defense minister, has halted the inquiry in Chita garrison court, where Lieutenant General (Air Force) Anatoliy Vasilyev, commander of the 23d Airborne Army in Transbaykal, and Major General (Air Force) Vladimir Zagitov, headquarters chief of the same air group, had lodged a complaint against Defense Minister Pavel Grachev.

They were challenging an order by Grachev stipulating that they be dismissed from their posts as well as released from the Armed Forces before their due date.

Deynekin explained that Grachev had revoked the relevant point of his order and that the Air Force generals had now been dismissed from their posts by the president.

The case was halted because there were no grounds for grievance, Deynekin said.

The Chita correspondent for ITAR-TASS reports that Vasilyev and Zagitov are not disputing Yeltsin's will. However, they are now demanding that the court give a legal ruling on the actions of Deynekin himself. They believe that by not waiting for the outcome of the inquiry into the causes of the air disaster the Air Force commander in chief failed to be objective and set out a true picture of what happened.

The generals are complaining against me, saying I was too tough on them, said Deynekin, who flew straight to the An-12 crash site to look into things. I simply cannot excuse errors made on duty, which led to the deaths of 47 people and left 58 orphans, he emphasized.

At the same time, Deynekin believes that the complaint against him is not fair. My intervention (in the dismissal of the generals) does not infringe their rights and freedoms and should not reach court, he said.

Meanwhile, chairman of the court Major (Justice) Aleksandr Mikulich has accepted a new statement from the generals as part of the case.

Economic Issues

Yeltsin, Chernomyrdin Discuss Economy, Crime Levels

LD0811133194 Moscow ITAR-TASS World Service in Russian 1245 GMT 8 Nov 94

[FBIS Translated Text] Moscow, 8 Nov (ITAR-TASS)—At a meeting in the Kremlin today Boris Yeltsin and Viktor Chernomyrdin focused on deciding immediate priorities, on setting up a civilized securities market, and on problems relating to stimulating investments in the economy. An analysis was made of the socio-economic situation in Russia and a critical appraisal of the progress of reforms was given during the conversation.

The economic problems of the Far East, in particular issues relating to power engineering and railway tariffs, were touched upon, in connection with the president's forthcoming meeting with a group of heads of administration in the Far East region.

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The Russian Federation president and prime minister also discussed questions relating to the fight against crime. Boris Yeltsin stressed that the population's safety was a priority task for the authorities. In this connection he insistently demanded resolute measures to implement the federal program for fighting crime, which has been ratified by the Security Council.

Yeltsin Appoints Yasin Economics Minister

LD0811154194 Moscow ITAR-TASS in English 1533 GMT 8 Nov 94

[FBIS Transcribed Text] Moscow November 8 TASS—Yevgeniy Yasin was appointed Russian economics minister in accordance with Russian President Boris Yeltsin's decree on Tuesday.

Yasin Opposes Coalition Government

LD0911113094 Moscow 2x2 Television in Russian 0830 GMT 9 Nov 94

[FBIS Translated Text] Yevgeniy Yasin, appointed economics minister yesterday, has stated that he opposes the creation of a coalition government. In an interview for the POSTFACTUM agency Yasin noted that any attempts to set up a coalition government were pointless because, were this to be the case, one of two things would happen to the government; either representatives of factions within the cabinet would be forced to renounce their political views or the government would become nothing but a bazaar.

Yeltsin, Chubays Discuss Economic Issues

LD0911130494 Moscow ITAR-TASS in English 1247 GMT 9 Nov 94

[FBIS Transcribed Text] Moscow November 9 TASS—A wide range of economic problems linked with the need to improve Russia's financial positions, to build up a civilised stock market in Russia, to protect the population's money, and to attract private savings to the task of promoting the market reforms, were discussed in the Kremlin today by President Boris Yeltsin and First Vice-Premier Anatoliy Chubays after the latter's appointment to this post.

They also discussed interaction between the government and the Central Bank of Russia in light of the October painful crash of the rouble. The need to toughen state control over the situation on the stock market in order to protect primarily the interests of the population from speculative outbursts was discussed during the talks. Chubays informed the president about the progress of the post-voucher phase of privatisation.

Chubays Still Heads State Property Committee

LD0811152994 Moscow INTERFAX in English 1445 GMT 8 Nov 94

[FBIS Transcribed Text] The State Property Committee (SPC) is still governed by its former head, Anatoliy Chubays, who was appointed on Saturday to be vice premier, while the new committee chairman is likely to be appointed in a few days, the Financial Information Agency was told by the SPC official spokesman Arkadiy Yevstafev.

He did not confirm media reports that a decision had been taken on the appointment of current Deputy Russian State Property Committee Chairman Dmitriy Vasilev as the Committee's chairman. He said that such reports "cannot be confirmed so far".

According to the Committee's representatives, first Deputy Committee Chairman Petr Mostovoy, responsible for privatization of the fuel and energy complex, transport and communications, and Vasilev, who is in charge of methodological support, are the most likely candidates for the post.

They, however, say it is likely that an outsider could be appointed the Committee's chairman.

New Appointments Seen To Move Reforms Forward

LD0911121994 Moscow ITAR-TASS World Service in Russian 1154 GMT 9 Nov 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[FBIS Translated Text] Moscow, 9 Nov—In an interview with ITAR-TASS today Viktor Ilyushin, first aide to the head of state, described the series of new appointments to the government and to Boris Yeltsin's office as evidence of the president's desire to move the economic reforms forward. He stressed that the personnel changes in the Cabinet of Ministers were agreed upon with Prime Minister Viktor Chernomyrdin.

Ilyushin believes that new Economy Minister Yevgeniy Yasin, the Deputy Prime Ministers Aleksey Bolshakov and Oleg Davydov—who were appointed today, and Aleksandr Livshyts, who has been given the post of aide to the president, are well-known professionals and innovators in the world of economics. They have all initiated bold ideas now being put into practice in the Russian economy, the first aide to the head of state said in an exclusive ITAR-TASS interview.

Ilyushin also said that being appointed to such responsible posts at a difficult time of implementing economic reform requires an exceptional measure of courage from the new leaders, because they will have to carry out the "thankless" task of ridding the economy of everything that has ceased to function or is morally obsolete. Only real professionals will be able to achieve this, he told the ITAR-TASS correspondent.

Fedorov Blasts Leaders of Ruble Crash Investigation

LD0811123294 Moscow INTERFAX in English 1118 GMT 8 Nov 94

[FBIS Transcribed Text] Leader of the Liberal-Democratic Fund, former Russian finance minister,

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Boris Fedorov, believes that the president-initiated investigation into the causes of the ruble's plunge on the Moscow Interbank Currency Exchange on October 11, has been turned into a "laughing stock."

A statement which Fedorov handed to Interfax on Tuesday criticizes the leaders of the state commission (its chairman Oleg Lobov, secretary of the Russian Security Council, and Sergey Stepashin, director of the Federal Counterintelligence Service) for lack of competence and says that the commission's investigation "similar to the Communist Party-like wrangling of the stagnation period," did not produce practical results.

The commission's decision was not signed by the majority of its members and thus cannot be considered legally binding, claims Fedorov, who also heads the deputy group in the Russian State Duma.

Fedorov believes the commission failed to give a serious assessment to the government economic policy "which is the main reason for the ruble's plunge" and chose to search for a "scapegoat" (Dubinin, Shokhin, Vavilov, Tulin, Krunya, Petemkin). Fedorov said that no assessment was made of the "obvious fact that the government gained a lot of money for the budget during the "height" of the ruble crisis."

Fedorov warns that the continuation of the policy of artificially propping up the ruble rate, as is being done at present, is fraught with future plunges.

Fedorov disagrees with the accusations made against commercial banks by the commission. "The banks were doing their job and to undermine their business reputation by flimsy accusations is a roll-back to the Communist past and lawlessness," said Fedorov.

The indifference of the authorities and that they get away with impunity is astonishing as is the continuation of legal and financial lawlessness. The confidence in the government has plunged below the critical level and the president ought to make political conclusions, said Fedorov.

Oil Exports in 1995 To Maintain 1994 Level

LD0811182194 Moscow INTERFAX in English 1607 GMT 8 Nov 94

[FBIS Transcribed Text] Russian oil exports in 1995 will be maintained at the 1994 level, Fuel and Energy Minister Yuriy Shafranik said at a news conference in Moscow Tuesday.

He said that his ministry will influence the world market and exert control over the pumping of Russian oil.

Shafranik confirmed that the government would cancel the quoting and licensing as of January 1995 and all exporters would have an equal access of pipelines. He explained that the state would maintain the managerial role in exportation by imposing a uniform customs duty.

Shafranik said that there would be four or five large special exporters of crude. Their rights will be taken over by oil extracting companies. He confirmed that oil producers would have the right to export a certain percentage of the oil they extracted.

Moscow will also reserve the right to influence the formation of domestic oil and petroproduct prices. Shafranik noted that the prices of fuels, notably of oil, had been frozen for five months at 72,000 to 75,000 rubles and until October when they had grown to about 80,000 rubles, or 28 percent of the world market price.

The production decline in the Russian fuel industry amounted to about seven percent within the first 10 months of 1994. The 1994 output is expected to be 10 to 11 percent below the 1993 output. Shafranik expressed the hope that in 1995 the production decline in the industries would not exceed two to three percent.

On the other hand, he said that the Russian fuel industries overproduced somewhat.

Population Set To Shrink, Unemployment To Rise in 1995

MM0911114394 Moscow SOVETSKAYA ROSSIYA in Russian 9 Nov 94 p 1

[Unattributed report: "More Unemployed, Fewer Russians"]

[FBIS Translated Text] Unemployment in Russia could exceed 3 million in 1995 on an average annual basis. This means that its level will approach 4 percent of the population of an age capable of working. This is the forecast for next year by the Russian Federation Ministry of Economics. It is assumed that, of the total number of working people being dismissed, 1.5 million will find work in the sphere of private enterprise, approximately 0.4 million people will move to joint ventures and public foundations, and the rest will swell the numbers engaged in domestic occupations.

According to the forecast, the average annual size of the population in 1995 will stand at 147.2 million and will fall by 0.6 million people compared with 1994. Natural losses of population in 1995 will be offset to a certain extent by increased migration from the near abroad, which is estimated at roughly 500,000 people. The problem of receiving and accommodating refugees and displaced persons in Russia will be exacerbated.

Draft Federal Law on Individual Income Tax

MM0811170094 Moscow ROSSIYSKAYA GAZETA in Russian 5 Nov 94 pp 13-15

["Russian Federation Draft Federal Law on Amendments to the Russian Federation Law 'On Individual Income Tax,'" signed by Russian Federation President B. Yeltsin]

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[FBIS Translated Text] Article 1. The Russian Federation Law "On Individual Income Tax" (VEDOMOSTI SYEZDA NARODNYKH DEPUTATOV ROSSIYSKOY FEDERATSII I VERKHOVNOGO SOVETA ROSSIYSKOY FEDERATSII, 1992, No. 12, Article 591, No. 34, Article 1976; 1993, No. 4, Article 118, No. 14, Article 486) is to be amended to read as follows:

"Russian Federation Federal Law 'On Individual Income Tax'

"Chapter I.

"General Provisions

"Article 1. Income tax payers

"1. Income tax payers are individuals both permanently resident and not permanently resident in the Russian Federation.

"The said individuals include Russian Federation citizens, foreign citizens, and stateless persons.

"Individuals permanently resident in the Russian Federation are persons residing in the Russian Federation for a total of not less than 183 days in a calendar year.

"2. Individuals have a duty to pay income tax if any income is received by them or credited to their name. Where persons have not attained the age of majority or where evidence of incapacity has been confirmed according to the established procedure, responsibility for compliance with the present Law is borne by the parents, wards, trustees, or other individuals as the case may be, according to Russian Federation legislation.

"Article 2. Income Subject to Taxation

"1. The income subject to taxation is the aggregate income received in a calendar year:

"for individuals permanently resident in the Russian Federation—from sources within the Russian Federation and outside it;

"for individuals not permanently resident in the Russian Federation—from sources within the Russian Federation.

"Irrespective of the number of days spent in the Russian Federation, the following categories of individuals who are citizens of the Russian Federation are subject in all cases to taxation both on income received from sources within the Russian Federation and from sources outside it:

"individuals sent abroad to work in Russian Federation state institutions and their missions and in international governmental and nongovernmental organizations;

"individuals on business trips abroad;

"crew members of sea, air, and other means of transport used for international shipments.

"The length of stay on Russian Federation territory is determined for the purposes of the present Law on the basis of passports or equivalent documents in which the date of entry to the country and the date of leaving the Russian Federation is indicated.

"The size of the taxable aggregate annual income is determined in accordance with the procedure and conditions stipulated in the present Law.

"2. Aggregate income means any income (revenue) in monetary form (in Russian Federation currency or foreign currency) or in kind, in the form of services or material benefits.

"Income received in kind is calculated as part of the aggregate annual income at the average price for a similar product (work, services) sold in the last month, or, in the event of no such product having been sold in the said period, on the basis of the most recent price, but not less than cost price.

"3. In the event that individuals (other than those not permanently resident in the Russian Federation) receive income from entrepreneurial activity and other income except for that received at their main place of work, aggregate income for tax purposes is calculated by means of reducing the income by the sum of expenses directly associated with obtaining the said income and for which the taxpayer can produce documentary confirmation, or, in cases stipulated in the present Law, according to the norms laid down by the Russian Federation Government.

"4. Income in foreign currency is converted into rubles for tax purposes on the basis of the Central Bank of the Russian Federation rate in force at the date of receipt of the income. Tax on income received in foreign currency may be paid in rubles or in foreign currency quoted and purchased by the Russian Federation Central Bank in a sum equivalent to the due sum in rubles.

"Article 3. Income not subject to taxation

"1. For tax purposes, for all individuals, aggregate taxable income does not include:

"pensions set according to the procedure laid down by Russian Federation pensions legislation;

"grants to students and graduate students at higher educational establishments, students at secondary specialized and vocational-technical educational establishments, and students at spiritual educational establishments paid by the said educational establishments or instituted by charitable foundations, as well as sums received by the said persons in connection with the production training process, for work carried out by them during the summer vacation in detachments (teams, units) formed by the educational establishments, or for agricultural harvesting and feed procurement work;

"compensation payments to workers at enterprises, institutions, and organizations within the norms set by

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Russian Federation legislation as recompense for additional expenses associated with the fulfillment of labor duties, for removal to work at a different locality, and in other cases stipulated by Russian Federation legislation, with the exception of compensation for unutilized leave at the time of dismissal;

"compensation payments to parents and wives of servicemen who have died, paid according to the procedure stipulated by Russian Federation legislation;

"sums received by workers in compensation for losses sustained by them as a consequence of injury or other damage to health associated with the performance of their labor duties;

"sums received in connection with natural disasters by way of compensation for material losses or damage to health paid on the basis of decisions of federal organs of legislative (representative) and executive power, organs of legislative (representative) and executive power of Russian Federation components, local self-government organs, and foreign states, or by governmental and nongovernmental interstate organizations set up in accordance with international treaties;

"the value of gifts received from state organs (including valuable gifts received by servicemen and equivalent categories of workers);

"money received in lieu of free housing and municipal services in accordance with Russian Federation legislation, provided that the money is used for the specified purpose;

"the value of allowances in kind made in accordance with Russian Federation legislation and sums paid in lieu of such allowances;

"nonrepayable subsidies out of budget funds granted to citizens needing improved housing conditions, for the construction and acquisition of housing;

"rewards for individuals' donations of blood, human milk, and other forms of donorship according to the procedure laid down by Russian Federation legislation;

"gains on state loan bonds of the former USSR, the Russian Federation, and Russian Federation components and sums received by way of extinguishing such bonds.

"2. Income received by individuals in a calendar year is reduced by:

"a) state allowances paid in accordance with Russian Federation legislation, legislation of the Russian Federation components, and decisions of local self-government organs, except for allowances for temporary incapacity for work (including caring for a sick child);

"b) alimony sums, for citizens receiving them;

"c) sums of income:

"from the sale of livestock, rabbits, coypu, and poultry raised on a personal plot located on Russian Federation territory, whether sold live or as slaughter products in raw or processed form, milk and dairy products, eggs, beekeeping products, products from the breeding of hunting dogs, and products from the breeding of wild animals and fowl, as well as plant and flower products from the said plots in raw and processed form. An individual's tenure of a personal plot is confirmed by a certificate from the local self-government organ;

"from individuals' sales of willow bark, ferns, wild berries, nuts, other fruit, mushrooms, and medicinal plants;

"received by amateur hunters having a permit (pass, license) to take wild animals, from the sale of the pelts, raw furs and hides, and meat of wild animals to hunting societies and consumer cooperative organizations;

"d) income (other than wages) received by members of nomadic tribal communities of the small peoples of the North, if such communities are registered with the local self-government organs;

"e) sums deducted for payment into the Russian Federation Pension Fund;

"f) sums of material aid granted to individuals by employers in the event of the death of an employee or members of his family;

"g) other sums of material aid and the value of gifts in kind or prizes received by individuals up to 12 times the minimum monthly wage laid down by law;

"h) sums received in the course of the year from the sale of apartments, houses, dachas, garden huts, land plots, or land parcels (shares) belonging to individuals by title of ownership not in excess of 1,500 times the minimum monthly wage laid down by law, and also sums received in the course of the year from the sale of other property belonging to individuals by title of ownership not in excess of 50 times the minimum monthly wage laid down by law. At the taxpayer's request, such deductions may be replaced by the deduction of actual expenses associated with receiving such income for which documentary confirmation exists;

"i) income in money and in kind received from individuals by way of legacies or gifts, with the exception of awards paid to the heirs (legal successors) to authors of works of science, literature, and art, inventions, and industrial prototypes;

"j) sums paid by enterprises, institutions, and organizations to their workers and (or) members of their families or on their behalf by way of full or partial compensation for the cost of passes for children and adolescents to children's and other health care institutions or sanatorium and resort institutions specially designed to provide leisure facilities for parents with children, or outpatient or inpatient medical services for their workers

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and (or) members of their families, and sums paid to cover the cost of passes to sanatorium and resort institutions and other health care institutions out of the Russian Federation Social Insurance Fund.

"Such payments also include sums paid on behalf of disabled persons by enterprises, institutions, and organizations by way of full or partial payment for passes to health care and sanatorium and resort institutions, expenditure on treatment and medical services, and the purchase of technical facilities for prophylactic care in disability and for the rehabilitation of disabled people, and expenditure on the acquisition and keep of guide dogs;

"k) insurance payments received by individuals under insurance contracts, with the exception of cases where insurance contributions are paid out of the funds of the enterprise, institution, or organization;

"l) interest on deposits in banks and other credit institutions that have received, in accordance with the established procedure, a license from the Central Bank of the Russian Federation for transactions with such deposits.

"3. Aggregate income received in a calendar year is reduced by a sum equal to eight times the minimum monthly wage laid down by law for each full month in which income was received, for the following individuals:

"a) Heroes of the Soviet Union and Heroes of the Russian Federation, and persons who have been awarded the three classes of the Order of Glory;

"b) participants in the civil and Great Patriotic wars and in combat operations to defend the USSR in the category of servicemen who served in military units, staffs, and institutions forming part of the active army, and former partisans;

"c) civilian personnel of the Soviet Army and Navy and USSR internal affairs and USSR state security organs who held staff posts in military units, staffs, and institutions forming part of the active army in the period of the Great Patriotic War, or persons who, during that period, were in Stalingrad, Leningrad, Sevastopol, or Odessa, whose participation in defense counts toward their pensionable service on the privileged terms laid down for servicemen of active army units;

"d) invalids:

"of the Great Patriotic War;

"in the category of servicemen disabled as a result of wounds, contusions, or injuries sustained in the defense of the USSR or in the performance of other military service duties, or as a result of illness associated with being at the front, in the category of former partisans, and in other categories of disabled persons regarded as equivalent to the said categories of servicemen for pension purposes;

"in the category of state employees disabled as a result of injury or other damage to health sustained by them in the performance of official duties and who have received a one-time grant from the state in accordance with the established procedure;

"e) persons who became disabled or suffered radiation sickness as a result of radiation accidents, disasters, tests, exercises, or other operations associated with all forms of nuclear installations whether civil or military, including nuclear weapons and space technology;

"f) invalids from childhood and Group I and Group II invalids;

"g) persons who donated bone marrow to save the lives of people affected by Chernobyl or other nuclear disasters;

"h) persons who took part in eliminating the consequences of the accident at the Chernobyl Nuclear Power Station within the exclusion zone in 1986-1987; persons who were evacuated or who voluntarily left the exclusion zone in connection with the accident at the Chernobyl Nuclear Power Station; persons affected by radiation as a result of the accident in 1957 at the 'Mayak' production association and the discharge of radioactive wasge into the river Techa;

"i) persons who participated directly, as members of special-risk subunits, in nuclear and thermonuclear weapon tests and the rectification of breakdowns in nuclear installations on arms systems and at military facilities;

"j) persons who were in Leningrad during the period of the blockade in the Great Patriotic War from 8 September 1941 to 27 January 1944 (irrespective of the duration of stay);

"k) former inmates—including juveniles—of concentration camps, ghettos, and other places of compulsory detention created by fascist Germany and its allies during World War II.

"The right to concessions indicated in the present section is confirmed by the appropriate documents (card of a Hero of the Soviet Union or Hero of the Russian Federation, order-bearer's card, Great Patriotic War invalid's certificate, invalid's certificate of entitlement to benefits, invalid's special certificate, special-model certificate, pension certificate, or form from the military commissariat or from the medical labor experts' commission).

"4. The aggregate income received in a calendar year is reduced by a sum equal to five times the minimum monthly wage laid down by law for each full month for which income was received, for the following individuals:

"a) parents and spouses of servicemen who died as a result of wounds, contusions, or injuries sustained in the defense of the USSR or the Russian Federation or in the

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performance of other military service duties or as a result of illness associated with being at the front, and also parents and spouses of state employees killed in the performance of official duties. The concession is granted on the basis of a pension certificate bearing the stamp 'widow (widower, mother, father) of serviceman' or an appropriate note certified by the signature of the leader of the institution issuing the pension certificate and the stamp of that institution. In the event that the persons in question are not pensioners, the concession is granted on the basis of a certificate on the death of the serviceman issued by the appropriate state organs. For spouses of servicemen killed in the defense of the USSR or the Russian Federation or in the performance of other military service duties or who died as a result of a disease associated with being at the front, and spouses of state employees killed in the performance of official duties, the concession is granted only in the event that they have not entered into a second marriage;

"b) servicemen (including former servicemen) and reservists summoned for training or refresher courses who fulfilled their international duty in the Republic of Afghanistan or other countries where hostilities were in progress;

"c) either of the parents (by their own choice), or the spouse, ward, or trustee responsible for the maintenance of an invalid from childhood or a Group I invalid who resides with them and requires constant care. The concession is granted on the basis of a pension certificate, decisions of wardship or trusteeship bodies, medical certificate from a health care body confirming the need for constant care, and certificate from the housing body confirming that they share a residence;

"d) Group III invalids who have elderly parents or minor children dependent on them.

"5. For individuals not listed in Parts 3-4 of this article the aggregate income received in a calendar year is reduced by an amount of income equal to twice the minimum monthly wage laid down by law, for each full month during which the income was received.

"6. If individuals have the right to reduce the aggregate income received simultaneously on several grounds provided for in Parts 3-5 of this article, deductions from the aggregate income for each month during which it was received are made on a basis providing for the most advantageous size of the reduction in taxable income. A reduction in income for tax purposes by the amounts listed in Article 2 of this law is made regardless of the concessions stipulated in Article 3.

"At the same time, for servicemen, for enlisted and command personnel of Russian Federation internal affairs organs, and also for categories of individuals equated with them, the amount of tax on pay and other monetary recompense and payments received in connection with the performance of the duties of military service and service in internal affairs organs and in enterprises, establishments, and organizations in which service is equated with military service is reduced according to the procedure and the extent laid down by the Russian Federation Government.

"7. Regardless of the provisions of Parts 2-6 of this article, the taxable income of each spouse with children up to the age of 18 years (students in daytime education up to the age of 24 years) is additionally reduced per child per month by the amount of the minimum monthly wage laid down by law.

"This procedure obtains through the end of the year in which the children attain the age of 18 years and in which the students attain that of 24 years, and also through the end of the year in the event of the children's death.

"In addition to spouses, the said reduction in taxable income is also made for a widow (widower), a single parent, a guardian, or a trustee who maintains a child, on the basis of a written statement and documents confirming the child's existence.

"A reduction in the taxable income of individuals is made as of the child's month of birth.

"The relevant documents relating to the existence of children are submitted by individuals at their main place of work (service, study) prior to the payment of wages to them for the first half of January or, in the case of the birth of a baby during the year, not later than the 20th day of the month following such a change. When tax bodies calculate the tax, such documents are submitted to them by individuals simultaneously with the declaration of income.

"An individual is responsible for the reliability of the data submitted for a reduction in taxable income in connection with the existence of children according to the procedure laid down in Russian Federation legislation.

"For individuals with incomes from their fulfillment of labor duties in enterprises, establishments, and organizations the taxable income is reduced monthly by these enterprises, establishments, and organizations, and for other individuals by the tax bodies at the end of the year, with annual calculation of the tax based on the number of months for which the income was received.

"8. The reduction in taxable income provided for in this article is made for individuals:

"in labor relations or equivalent relations at a single enterprise, establishment, or organization regarded as the main place of work (service, study)—in the course of the calculation of the aggregate income at the main place of work (service, study);

"for other individuals—in the course of the calculation of the aggregate income by tax bodies.

"Article 4. Elimination of double taxation

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"Income received outside the Russian Federation by individuals permanently resident in the Russian Federation is included in the income liable to taxation in the Russian Federation.

"The amounts of income tax paid in accordance with the legislation of foreign states by individuals permanently resident in the Russian Federation are taken into consideration when these persons pay income tax in the Russian Federation. At the same time the size of the amounts of taxes paid outside the Russian Federation and taken into consideration may not exceed the amount of tax liable to be paid by these persons in the Russian Federation.

"This can only be taken into consideration if an individual submits an evaluation of his payment of tax outside the Russian Federation confirmed by a tax body of the relevant foreign state.

"Article 5. International treaties

"If international treaties of the Russian Federation or the former USSR lay down rules other than those contained in Russian Federation legislation on individual income tax, the rules in the international treaty apply.

"Article 6. Tax rates

"Income tax on taxable aggregate income received in a calendar year is levied in the following amounts:

Taxable annual income (rubles)	Amount of tax	
	Into the federal budget	Into the budgets of components of the Russian Federation
up to 5 million	2 percent	10 percent
between 5,000,001 and 15 million	R100,000 plus 3 percent of the amount in excess of R5 million	R500,000 plus 17 percent of the amount in excess of R5 million
between 15,000,001 and 50 million	R400,000 plus 4 percent of the amount in excess of R15 million	R2.2 million plus 26 percent of the amount in excess of R15 million
50,000,001 and above	R1.8 million plus 5 percent of the amount in excess of R50 million	R11.3 million plus 30 percent of the amount in excess of R50 million

"The amounts of coefficients and the amounts of increments for length of employment added to the wage and paid in accordance with Russian Federation legislation for work in regions of the Far North and in localities equated with them, in high mountain, desert, and arid regions, and in other localities with severe climatic conditions are taxed at source, separately from other incomes, at the rate of 12 percent, including 2 percent into the federal budget.

"If the amount of the reductions provided for in this law exceeds the basic wage, and if the total amount of labor remuneration together with the coefficient and increments exceeds the amount of the said deductions, then the tax must be calculated on the aggregate amount of the basic wage, the coefficient, and the increments.

"With regard to incomes from sources in the Russian Federation (apart from the incomes indicated in Chapter II of this law) received by individuals not permanently resident in the Russian Federation, the tax is stopped at source at the rate of 30 percent of the amount of the payment, unless otherwise stipulated in international treaties of the Russian Federation or the former USSR, including 5 percent into the federal budget and 25 percent into the budgets of components of the Russian Federation.

"Chapter II.

"Taxation of Income Received by Individuals at their Main Place of Work (Service, Study)

"Article 7. Subjects of Taxation.

"In accordance with this chapter income tax is levied on income received by individuals at their main place of work (service, study). Subjects of taxation are wages, bonuses, other monetary and material awards, earnings received by these people for work in other jobs, income under civil law contracts, and any other income.

"The individual must notify the tax body for his place of permanent residence of his main place of work. On this basis the tax body must issue the individual with a certificate in the form and within the deadline and procedure approved by the Russian Federation State Tax Service in agreement with the Russian Federation Ministry of Finance stating that this individual is liable for taxation at this place of work within the procedure stipulated by this chapter. The certificate is issued at the main work place and is valid for the entire period of work with the relevant employer.

"Upon changing his main place of work (service, study), to obtain a new certificate the individual must notify the tax body, returning the certificate from his previous main place of work (service, study).

"The provisions of this chapter do not extend to persons working in second jobs at other enterprises, institutions, and organizations.

"Article 8. Procedure for Calculating Taxes.

"Tax is calculated by the enterprise, institution, organization, or other employer.

"Tax is calculated from the start of the calendar year at the end of each month from the sum of aggregate income

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at the place where wages are paid reduced in accordance with Article 3 of this Law at the rates stipulated by Article 6 of this Law taking into account the amount of tax previously levied.

"At the end of the year tax is recalculated proceeding from the sums comprising individuals' aggregate incomes (in whole rubles) paid to them over the course of the calendar year.

"When there is a change of place of work (service, study) in the course of the year, tax calculation at the new place of work (service, study) is on the basis of the aggregate annual income received at the former and new work place. Income received at the former work place is confirmed by the certificate of income received by individuals and the sums of tax levied from this income which must be issued to individuals at their former place of work (service, study).

"Tax is levied from the sums of income received by individuals at their former work place after they have left in combination with the income previously received over the course of the calendar year. Sums excluded from income in accordance with Article 3 of this Law are calculated on the basis of the months actually worked at their former work place. The income paid and the tax levied by the source of income are notified within a month to the local tax body.

"If these payments are in the year following individuals' dismissal then tax is calculated on the total sum of income they received at their previous work place. The income paid and the tax levied by the source of income are notified within a month to the local tax body.

"In these cases individuals must declare the income received over the course of the calendar year at their new and former work places in a declaration submitted to the tax body for their permanent place of residence.

"Article 9. Procedure for Transferring Tax to the Budget

"Enterprises, institutions, organizations, and other employers at the end of each month, but no later than the date when funds are received at the banking institution for paying wages, must transfer to the budget the sum of the tax calculated and levied from individuals for the previous month.

"Enterprises, institutions, and organizations, and other employers which do not have accounts in banking institutions and which also pay wages from the profit from the sale of output, the performance of work, and the rendering of services, deposit the tax sums deducted in banking institutions the day after the sums for the payment of wages have been credited.

"Taxes levied from individuals' income in excess of 1,000 rubles are transferred to the budget. If the tax sum is less than 1,000 rubles it is added to the sum to be transferred to the budget next month but no later than December of the current year.

"Sums of excess tax levied are added to the next wages or returned to individuals.

"The transfer to the budget by the enterprise, institution, organization, or other employer of income tax sums without levying the tax from individuals' income (paying tax for individuals) is not allowed.

"Chapter III.

"Taxation of Business Income

"Article 10. Subject of taxation

"The incomes of individuals registered as businessmen without the formation of a corporate body are subject to taxation within the procedure stipulated by this chapter.

"People's business activity is activity to produce output, to perform work, or to render services with a view to deriving income or profit for whose implementation the individuals are registered within the procedure stipulated by Russian Federation legislation as businessmen without the formation of a corporate body.

"Article 11. Procedure for calculating and paying tax

"1. The calculation of income tax on income from business activity is effected by the tax body for the individuals' place of permanent residence. If activity is conducted elsewhere then the calculation of tax is by the tax body for the place of the activity, which must declare to the tax body for the taxpayer's permanent place of residence the size of the income it is assessing and the tax calculated.

"2. Income which, apart from the deductions stipulated in Article 3 of this Law, is also reduced by the sum of the expenses, confirmed by documentary evidence, directly connected with the implementation of business activity, is subject to tax. The list of the types of expenses which reduce the taxable income is determined with regard to the composition of the expenses included in the prime cost of output, work, or services by enterprises stipulated by the Russian Federation Government.

"When documentary confirmation of expenses is impossible, the taxpayer is given the right to reduce his taxable income by 20 percent of his gross income.

"The sum of the financial losses incurred as a result of business activity are not taken into account in determining taxable income.

"3. For taxation purposes income received by individual businessmen both directly from other individuals and from enterprises, institutions, and organizations is taken into account.

"4. Income tax for persons engaged in business activity is calculated on the basis of declarations of estimated and actual income submitted by businessmen to tax bodies within the procedure stipulated by Chapter V of this Law

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and also on the basis of the material from studies and checks carried out by tax bodies over the course of the calendar year.

"5. To pay tax over the course of the year the tax body presents the taxpayer with a demand for the payment of tax on the basis of estimated income for the current year and at the end of the year the tax is recalculated on the basis of figures for the income actually received over the year.

"Advance payments of tax are made by taxpayers at the rate of one third of the estimated annual tax sum no later than 15 July, 15 August, and 15 November. If over the course of the year it is established that there has been a considerable increase or decrease in the income received compared with the calculated estimate, then the taxpayer has the right to apply to the tax body for a recalculation of the advance tax sum for the forthcoming payment dates.

"If income from business activity first appears in the course of the calendar year then advance payments on estimated income are calculated in equal shares for the forthcoming payment dates. When the source of income ceases before the end of the calendar year taxpayers must pay tax within a month of being issued with a tax body's demand for tax payment.

"6. At the end of the year tax is calculated on the aggregate annual income received both from business activity and from all other sources if they exist. The difference between the sum of tax calculated for the calendar year under review and the sum of tax from the aggregate income actually received is levied from the taxpayer or returned to him by the tax bodies no later than 15 July of the year following the year under review.

"7. When individuals are asked to pay tax for previous years, tax payment is in equal shares on two dates: one month after the submission of the payment demand by the tax body and one month after the first date.

"8. If individuals engaged in business activity receive sums from enterprises, institutions, and organizations for output sold to them, for work performed, or services rendered and do not submit evidence of registration as a businessman without the formation of a corporate body, then income tax must be levied from the sum paid by these enterprises, institutions, and organizations within the procedure stipulated by Chapter IV of this Law.

"The tax sums levied are transferred to the budget within the procedure stipulated by Article 9 of this Law.

"Chapter IV.

"Taxation of Other Types of Income

"Article 12. Subjects of taxation

The income of individuals received in addition to income at their main work place or income from business activity is taxed within the procedure stipulated by this chapter.

"Article 13. Procedure for calculating and paying tax

"1. Tax on income indicated in this chapter is calculated:

by enterprises, institutions, organizations, and other employers when they pay sums to individuals over the course of the year;

by the tax bodies on the basis of existing information about the estimated income of individuals in the current year;

by tax bodies on the basis of the income actually received by individuals over the course of the year under review and stated by them in a declaration, and of other available information.

The calculation and levying are at the rate of 5 percent for the federal budget and 25 percent for the budgets of the Russian Federation's components.

"2. The gross sum of income paid without the application of deductions and reductions stipulated by Article 3 of this Law is subject to taxation.

"For authors of works of science, literature, and art, and of discoveries, inventions, and industrial prototypes when it is impossible to determine expenditure, the application of the norms stipulated by the Russian Federation Government is permitted.

"Expenditure connected directly with obtaining income and confirmed by documentation is authorized and deductions and reductions are granted to taxpayers only by tax bodies for their place of permanent residence after submitting a declaration on aggregate annual income for the year under review.

"3. For all instances of the payment of income to individuals, enterprises, institutions, organizations, and other persons must submit to the tax bodies for their place of residence at least once a year information regarding the sums paid to individuals for the period since the start of the year and regarding the income tax sums levied from them. This information is to be sent to the tax bodies for the individuals' place of permanent residence and is considered when checking the submitted declarations on income received for the year under review.

"Individuals who have received income have the right over the course of the calendar year to make a verbal or written application at the place where they receive their income for the issue to them of a certificate on the size of the income received and the tax levied. These certificates are attached to the declaration of aggregate annual income for the tax body to make a decision on the proposed deduction or reduction of taxable income in accordance with this Law and on the relevant recalculation of the tax levied over the course of the year.

"4. Individuals with income from work at other enterprises, institutions, and organizations or from other employers can over the course of the year independently

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recalculate their tax on the basis of the aggregate taxable annual income and pay the budget at least once a quarter the difference between the sum of tax calculated by them from their total taxable income and the tax sum levied by the enterprise, institution, organization, or other employer. Here individuals must supply their tax body for their place of permanent residence with a statement of payment of tax which declares where and when the payment was made.

"5. The tax sums levied at source are transferred to the budget within the procedure stipulated by Article 9 of this Law.

"Chapter V.

"Declaration by Individuals of Aggregate Annual Income and Procedure for Levying Tax on Aggregate Annual Income

"Article 14. Procedure for submitting declaration of income

"1. A declaration of aggregate annual income received must be submitted by: persons engaged in entrepreneurial activity; and persons from whom tax has not been deducted at source in the course of the year in the instances envisaged by the present law.

"In addition, tax declarations can also be submitted by persons entitled to the deductions and reductions in taxable income stipulated by the present law who have not received such deductions and reductions at source in the course of the year.

"Persons with incomes of any size solely from their main place of work and also persons indicated in Chapter IV of the present law do not submit a declaration to tax bodies on income received in the course of the year if they receive taxable income from multiple enterprises, institutions, organizations, and other employers not exceeding the aggregate taxable income to which the minimum tax rate is applicable.

"Should tax on income stipulated in Chapter IV of the present law be deducted at source at a higher level than it would be if calculated at the rates indicated in Article 6 of the present law, taxpayers are entitled to submit a declaration of income to the tax body with a view to reclaiming the excess sums of tax deducted from them.

"2. Individuals submit a declaration of income actually received and expenditure made to the tax body for their place of permanent residence no later than 1 April of the year subsequent to the accounting year in a form established by the State Tax Service of the Russian Federation by agreement with the Ministry of Finance of the Russian Federation.

"A declaration of anticipated income for the current year is submitted by the same date in instances when individuals continue to receive income in the current year from sources which existed in the previous calendar year.

"3. In the event of the emergence in the course of the year of income from entrepreneurial activity, individuals file a declaration within five days of the expiry of one month from the date of the emergence of such income. The declaration indicates the amount of the income received by them during the first month of activity and the amount of expected income through the end of the current year.

"In the event that a source of income ceases to exist before the end of the current year a declaration is filed within five days that it ceases to exist.

"4. In their declarations individuals indicate all the income they have received for the year, the sources from which it was obtained, and the total tax levied and paid.

"5. At the request of individuals enterprises, institutions, organizations, and other employers are obliged to issue records of the total income calculated by them for the year and the total income tax deducted from this income.

"6. Individuals are entitled to adjust data stated in a declaration within a month of filing the declaration with the tax body.

"Article 15. Procedure for recalculating tax at the end of the accounting year

"Deductions from total taxable income are effected at the rate determined by Article 6 of the present law.

"The difference between the calculated total of tax and the total tax deducted or paid in the course of the year is payable by or returnable to individuals from tax bodies no later than 15 July of the year subsequent to the accounting year. If necessary tax bodies can prescribe other dates for the additional payment or refunding of tax.

"Chapter VI.

"Features of the Taxation of Foreign Citizens and Stateless Persons

"Article 16. Procedure for calculation and payment of tax

"1. For taxation purposes foreign individuals permanently resident in the Russian Federation submit declarations of the income they have received both inside and outside the Russian Federation in accordance with the procedure prescribed by the present law.

"Foreign individuals submit a declaration of anticipated income in the current year within one month of arrival in the Russian Federation or by 1 April, if the source of income was in existence in the previous year and continues to exist in the current year.

"If the activity of foreign individuals in the Russian Federation ceases in the course of the calendar year and they leave the country a declaration of the income actually received by them during their presence in the

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Russian Federation must be submitted no later than one month before their departure.

"The tax body calculates the tax on the basis of declarations of income filed by the taxpayer for his place of activity or residence in the Russian Federation. The document for paying the tax is the demand for payment sent to the taxpayer by the tax body.

"On the basis of the declaration of anticipated income an advance sum of payable tax equal to 75 percent of the tax liability is levied on the taxpayer. Recalculation of the total tax is effected on the basis of the figures for the income actually received by them.

"Payment of tax for the current year is made in three equal installments—no later than 15 May, 15 August, and 15 November. The additional payment when the tax for the accounting year is recalculated is made within one month of the issue of the demand for payment. Overpaid tax is returned to the taxpayer or credited toward future payments according to his wishes.

"For the purpose of taxing the income of foreign individuals reductions are made in accordance with the procedures and in the amounts prescribed by the present law. Here foreign individuals who are submitting a declaration in the Russian Federation for the first time and who are entitled to the exclusion of expenditure on maintaining children are obliged, in order to obtain the benefit, to attach to the declaration documents confirming that they have children. The documents are verified by the competent bodies of the country in which the taxpayer was permanently resident immediately prior to his arrival in the Russian Federation; if his children are resident in the Russian Federation, the documents are submitted in accordance with the procedure stipulated by Part 4 of Article 3 of the present law.

"2. Income tax on income which foreign citizens and stateless persons who are not permanently resident in the Russian Federation receive from enterprises, institutions, organizations, and other employers is deducted at source at the rate stated in Part 4 of Article 6 of the present law.

"A declaration of anticipated income for foreign citizens and stateless persons is filed with the tax body for the locality where the income was received within five days of their arrival in the Russian Federation. On the cessation of activity linked with the receipt of income on the territory of the Russian Federation these individuals are entitled to file a declaration of actual income received so a final calculation of the previously levied total of tax can be made; this declaration is to be filed within 10 days of the cessation of this activity but no later than the last day of their presence in the Russian Federation. The tax is paid on the date prescribed by the tax body.

"3. Given the existence of international treaties containing provisions envisaging the granting in the Russian Federation of tax concessions to foreign individuals who are or are not permanently resident in the Russian federation, such individuals are entitled to file a statement to this effect with the tax body for their place of residence or place of activity (the place where the income is actually received) in the Russian Federation, indicating on the basis of which agreement and for which form of income the foreign taxpayer can obtain the corresponding exemption from taxation or reduction in the amount eligible for tax. The form of such a statement is prescribed by the State Tax Service of the Russian Federation by agreement with the Ministry of Finance of the Russian Federation. In appropriate cases tax bodies give instructions for the given tax concession to be granted or refund deducted (paid) sums of tax.

"4. If there is disagreement with the levying of tax, statements by foreign individuals to this effect are to be examined in accordance with the procedure operating in the Russian Federation and, if there are agreements between the Russian Federation and corresponding foreign states on the avoidance of double taxation of incomes or other tax agreements, in accordance with the procedure envisaged by these agreements.

"Chapter VII.

"Ensuring Compliance With the Present Law

"Article 17. The duties of payers and deductors of tax

"1. Individuals subject to taxation are obliged:

"a) to keep a record of the income received by them in the course of the calendar year and of expenditure linked with making income;

"b) in the instances stipulated by the present law, to submit to tax bodies declarations of income and expenditure and other necessary documents and information confirming the reliability of the figures indicated in the declaration;

"c) to allow officials of tax bodies to inspect premises in accordance with the procedure stipulated by Russian Federation legislation;

"d) to submit to enterprises, institutions, organizations, and tax bodies documents and information confirming entitlement to a reduction of [taxable] income;

"e) to submit promptly to the budget all the tax payable;

"f) to carry out other obligations provided for in Russian Federation legislation.

"Enterprises, institutions, organizations, and other employers are obliged:

"to promptly and correctly calculate, deduct, and pay into the budget taxes on the incomes of individuals;

"to promptly submit to tax bodies information on incomes they have paid to individuals in the manner envisaged by the present Law;

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"meet other obligations envisaged by Russian Federation legislation.

"2. Enterprises, institutions, organizations, and other employers deducting income tax are obliged:

"to keep a record of the aggregate annual income paid to individuals in a calendar year;

"to submit a quarterly report to the tax body for the area in which they are registered on the total amount of income and of deducted tax in the manner and in the form approved by the Russian Federation State Tax Service.

"3. Any excess tax deducted at source will count toward individuals' next payments or will be returned to them at their request.

"Income tax on individuals' incomes is paid into the budget direct from the individuals' incomes. Enterprises', institutions', and organizations' funds cannot be used to pay individuals' income tax.

"4. The assessment of income received in kind, in the form of services and material benefits, is carried out independently by the taxpayer or a person authorized to calculate income tax. The assessment and the information related to income given by a taxpayer or a person authorized to calculate income tax must be based on reliable information corroborated by documents.

"If the assessment of income made by the taxpayer or person authorized to calculate income needs to be confirmed, the taxpayer or person authorized to calculate income tax must submit the requisite information to the tax body on demand.

"If the information confirming the reliability of the assessment is inadequate, the tax body is entitled to decide on an independent assessment of the income received by the taxpayer or paid by the person authorized to calculate income tax.

"The extra expenditure incurred by a taxpayer or person authorized to calculate income tax in connection with the clarification and confirmation of his assessment of income or the submission of extra information to the tax body will be borne by tew taxpayer or person authorized to calculate income tax. The extra time associated with the clarification and confirmation of the assessment of income made by the taxpayer or person authorized to calculate income tax or with the submission of extra information on the assessment of income to the tax body cannot be used by the taxpayer or person authorized to calculate income tax in order to obtain an effective postponement of payment of income tax.

"Tax bodies will monitor the correctness of assessments of income obtained in foreign currency and in kind, in the form of services and material benefits, and are entitled to decide whether the declared assessment of income is correct or not.

"If there are no data confirming the correctness of the statement of income or if there are grounds for believing that the information supplied is unreliable and/or insufficient, the Russian Federation tax bodies can make an independent assessment of income received, using methods of determining income on the basis of information available to them (including price information on identical or similar goods, work, and services).

"If the taxpayer or person authorized to calculate income tax disagrees with the tax body's decision in respect of the assessment of income the decision can be appealed against in the manner determined by Russian Federation legislation.

"Article 18. Procedure for deducting and returning incorrectly deducted taxes

"In the event of a failure to get individuals to pay tax on time or of an incorrect deduction of income tax, the tax will be recovered or returned for no more than three years prior to the discovery of the incorrect deduction.

"The tax that was not deducted or not fully deducted will be recovered by enterprises, institutions, or other employers until the debt is paid in full. The recovery of the debt from individuals will be accompanied by guarantees laid down by Russian Federation legislation.

"If it is impossible to recover tax from individuals at source, enterprises, institutions, and organizations are obliged to report the amount of the debt to the tax body in their area within a month. The sum will be recovered on the basis of payment notices issued by the tax body to the individuals.

"If it is established that an enterprise, institution, organization, or other employer has been paying its workers' taxes, the amounts in question will be included in the individuals' annual taxable income and the tax will be calculated taking these amounts into account. Deducted tax will be paid in the manner laid down by Article 9 of this Law.

"Article 19. Penalties for violating the present Law

"Individuals, officials of enterprises, institutions, and organizations, and other employers guilty of violating the procedure for the calculation and payment of tax will be liable in accordance with the Federal Law 'On the Principles of the Tax System in the Russian Federation' and other Russian Federation legislation.

"Article 20. Appeals against the actions of tax bodies and their officials

"Appeals against the actions of tax bodies and their officials will be made in the manner laid down by Russian Federation legislation.

"Article 21. Instructions on the application of the present Law

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"Instructions on the application of the present Law will be published by the Russian Federation State Tax Service on agreement with the Russian Federation Finance Ministry."

Article 2. The present Federal Law enters into effect in relation to income obtained from 1 January 1995 onward.

Russian Federation President B. Yeltsin.

Media Issues

Draft Law on Television, Radio Broadcasting

MM0811130194 Moscow ROSSIYSKAYA GAZETA in Russian 5 Nov 94 pp 4-5

[Text of Russian Federation draft federal law: "Federal Law 'On Television and Radio Broadcasting'"]

[FBIS Translated Text] The following draft is submitted by Russian Federation Federal Assembly State Duma deputies who are members of the Committee for Information Policy and Communications.

Guided by the Russian Federation Constitution and the norms of international law,

confirming our commitment to freedom of speech and freedom of mass information, defending the right to freedom of expression, expressing the intention of creating extensive opportunities to exercise the right to seek, obtain, produce, and disseminate mass information,

in an endeavor to satisfy viewers' and listeners' various information needs, respect their tastes and interests, encouraging the dissemination of culture, high morals and ethics,

believing that television and radio broadcasting benefits society and requires the backing of the state,

guaranteeing the independence of television and radio companies' programming policy from state organs, technical services, and public and other organizations, and also television and radio broadcasting's freedom from censorship,

creating the procedure for the public and rational allocation of the naturally limited range of frequencies and the preconditions for the effective use of new information technologies,

the Russian Federation Federal Assembly State Duma adopts the present law as a legal base for the free development of television and radio broadcasting in the Russian Federation.

Section 1.

General Provisions

Article 1. Freedom of television and radio broadcasting

in terms of Russian Federation citizens' right to freely seek, obtain, produce, and disseminate information by means of television and radio is guaranteed by the state.

Television and radio broadcasting in the Russian Federation is implemented freely and is not subject to restrictions, save those envisaged by the Russian Federation Constitution, the Russian Federation Law "On the Mass Media," the Russian Federation Law "On Copyright and Associated Rights," and the present law.

Activity in the sphere of television and radio broadcasting is deemed socially useful; society defends it in all its manifestations. The state does its utmost to promote the development of television and radio broadcasting with a view to meeting viewers' and listeners' various information requirements, broadly disseminating education and culture, protecting public morality and ethics, strengthening the family, and establishing a healthy lifestyle.

In the sphere of television and radio broadcasting censorship is prohibited, as is the creation of any organizational structures that might perform censorship functions.

Article 2. Subject of regulation

The present law determines the procedure for organizing activity in the sphere of television and radio broadcasting in the Russian Federation and regulates relations arising in connection with this activity.

Article 3. Legislation on television and radio broadcasting

Russian Federation legislation on television and radio broadcasting constitutes part of the legislation on the mass media and consists of the present law and other normative acts adopted in line with it insofar as they pertain to the sphere of television and radio broadcasting.

Russian Federation legislation on communications is applied in respect of television and radio companies insofar as it does not contravene the present law.

If an international treaty to which the Russian Federation is a party prescribes different regulations from those contained in Russian Federation legislation on television and radio broadcasting, the international treaty's rules shall be applied.

Article 4. Basic concepts

For the purposes of the present law the following definitions shall apply:

1. "Television and radio broadcasting"—the dissemination via electromagnetic waves of audio (radio broadcasting), video, or audiovisual (television broadcasting) mass information and data (additional information) destined for reception by viewers and listeners directly;

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2. "Airwaves (television and radio airwaves)"—the full range of frequencies used for television and radio broadcasting;

3. "Broadcasting licenses"—written authorization granting the right to use a frequency, cable or wire network [provodnaya set] for television and radio broadcasting purposes;

4. "License holder (a television company, radio company, or television and radio company)"—an enterprise in possession of a broadcasting license line with the present law which implements programming policy and produces and disseminates audio, video, and audiovisual information and data;

5. "Producer of television and radio output"—an enterprise specializing in the production of television or radio programs;

6. "List of frequencies"—a document containing a list of frequencies allocated by federal executive bodies for airwave or cable (wire) television and radio broadcasting on the territory of the Russian Federation and indicating television and radio broadcasting operating frequencies (numbers of television channels), areas of operation [zona obsluzhivaniya], and the authorized operating period;

7. "Dissemination channel"—the full range of frequencies, cable or wire network channels used by license holders for television and radio broadcasting as defined by the commission for television and radio broadcasting;

8. "Area of operation"—the territory on which viewers or listeners should receive audio, video, and audiovisual information or data of a quality in line with current standards;

9. "Television and radio broadcasting technical facilities"—the equipment used for the preparation of television or radio programs and their transmission via technical communications systems;

10. "Certificate of suitability of television and radio broadcasting technical facilities"—a document issued by the empowered certification organ in line with the rules of the GOST-R certification system and indicating that a television and radio broadcasting technical facility accords with state standards or international norms.

Article 5. Application of the Law

The present law is applied in respect of television and radio companies and producers of television and radio output founded on the territory of the Russian Federation, and for those created outside the Federation only insofar as it pertains to the dissemination of their information within the Russian Federation.

The rules prescribed by the present law for airwave television and radio broadcasting are applied fully in respect of cable, wire, and other nonbroadcast television and radio provided that the legislation of the Russian Federation does not prescribe otherwise.

Citizens of and corporate entities from other states, and also people without citizenship are responsible for activity in the sphere of television and radio broadcasting on an equal footing with Russian Federation citizens and corporate entities, provided that the law does not prescribe otherwise.

Section 2.

The organization of television and radio broadcasting

Article 6. Principles for the organization of television and radio broadcasting

The main principles for the organization of television and radio broadcasting are:

1. Compliance with the Russian Federation Constitution and current Russian Federation legislation;

2. Consideration of the interests of television and radio consumers, the views of political, religious, ethnic, social, age, and other population groups with observance of public and state interests;

3. Objective coverage of processes taking place and diversity in the subject matter covered by the disseminated information by broadcasting official announcements, information, educational, cultural-enlightenment, entertainment, and sports programs, and programs for children and young people, and transmitting movies, religious, social, and other programs;

4. The creation of the requisite conditions for the preservation and development of the national culture;

5. The promotion of spiritual and esthetic development and the preservation, dissemination, and augmentation of cultural values;

6. Support for the formation of a rule-of-law state and its institutions, respect for the laws, rights, freedoms, and legitimate interests of citizens, and the establishment of peace and social accord in Russia

7. The inadmissibility of using television and radio broadcasting with a view to committing criminal offenses;

8. Priority for national producers and Russian [otechestvennyy] subject matter for programs;

9. Television and radio companies' legal accountability to their consumers for television and radio programs and for the violation of their rights and interests safeguarded by law;

10. Compliance with technical norms and standards in the process of television and radio broadcasting;

11. Freedom and independence within the limits of existing legislation; the inadmissibility of censorship and monopolies in television and radio broadcasting.

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Article 7. The procedure for implementing television and radio broadcasting

Television and radio airwaves in the Russian Federation are in the state's sole ownership.

The state grants corporate entities the right to use television and radio airwaves by issuing broadcasting licenses.

Television and radio broadcasting in the Russian Federation is implemented by license holders.

Article 8. The quest for audio, video, and audiovisual mass information.

The quest for audio, video, and audiovisual information is implemented in line with Russian Federation legislation on the mass media and other Russian Federation legislative acts.

Journalists working for a television and radio company, television companies, radio broadcasting companies (hereinafter "television and radio companies"), and production [prodyuserskiye] enterprises cannot have their right to seek and request information, produce recordings, and their other rights restricted compared with journalists working for periodical press publications, save in cases envisaged by law.

Journalists working for television and radio companies and enterprises producing television and radio output can be accredited to state or public organs, enterprises, or organizations on conditions established by the accrediting organ in line with the legislation on the mass media.

Press services (centers, bureaus, agencies) are not entitled to refuse journalists accreditation if the opening (existence) of these press services (the appointment of press relations people) has been announced publicly.

The legal status of an accredited journalist is determined in accordance with current Russian Federation legislation.

Article 9. The production of audio, video, and audiovisual mass information

Audio, video, and audiovisual mass information, including television and radio programs, is produced as a rule by producers of television and radio output or by television and radio companies autonomously.

Relations between producers of television and radio output and television and radio companies are organized in line with Russian Federation civil legislation, Russian Federation legislation on copyright and associated rights, and also Russian Federation legislation on enterprises and entrepreneurial activity.

Article 10. Defense of national producers of television and radio output

At least two-thirds of a state television and radio company's daily broadcasting time, with the exception of information, educational information, sports, and international programs, should comprise nationally produced programs. At the same time programs containing over 50 percent foreign audio or video material are considered to be foreign programs.

The proportion of foreign television programs relayed on a single television channel between 1800 and 0000 hours cannot exceed one-third. Information, educational information, sports, international, and popular science programs as well as relays of music festivals and other cultural events are an exception to this.

Article 11. Television and radio broadcasting

Television and radio broadcasting is implemented by television and radio companies with broadcasting licenses, using either their own or leased technical communications facilities.

When a television and radio company's reports and materials are disseminated by other means, the television and radio company must be cited.

The leader (chief editor) of a television and radio company can delegate to other television and radio company officials the right to authorize the airing of reports and materials.

Television and radio programs produced by television and radio companies which have obtained broadcasting licenses in accordance with prescribed procedure are not liable to registration as mass media.

Article 12. Satellite television and radio broadcasting

Satellite television and radio broadcasting systems are developed and used with a view to:

1. exchanging television and radio programs between Russian Federation components;

2. disseminating foreign television and radio programs within the Russian Federation;

3. disseminating in certain regions or throughout Russian Federation territory television and radio programs for reception by individual transmitters;

4. organizing paid reception of television and radio programs within the Russian Federation and abroad.

Consumers are entitled freely to receive television and radio programs, including foreign programs transmitted by communications satellites.

Article 13. Dissemination of state organs' reports and material.

The procedure for the dissemination by the state mass media of materials or reports on the activity of the Russian Federation's organs of state power is prescribed by law.

State and municipal organs and their officials cannot adopt decisions on the mandatory dissemination by

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television and radio companies of reports or material unless that is envisaged by the Russian Federation Law "On the Mass Media," the present law, or the federal law regulating the procedure for covering the activity of organs of state power in the state mass media.

Article 14. Television and radio broadcasting during an election or referendum period

Television and radio broadcasting during an election or referendum period is implemented in accordance with the requirements of the Russian Federation's legislation on elections and on a referendum.

At times prescribed by legislation prior to voting day and in volumes defined by legislation, paid advertising time is granted to the rival candidates, electoral associations, and referendum action groups at prime cost.

Article 15. Emergency television and radio broadcasting

Emergency television and radio broadcasting on behalf of state organs of the Russian Federation or its components can be organized in the event of a state of emergency or martial law being declared in accordance with the Russian Federation's laws and also in the event of natural disasters.

The president of the Russian Federation, the Russian Federation Federal Assembly Federation Council, the Russian Federation Federal Assembly State Duma, the Russian Federation Government, and Russian Federation components' legislative and executive organs are entitled to request a dissemination channel and time for emergency television and radio broadcasting. The regulations governing this broadcasting are prescribed by the Federal Commission for Television and Radio Broadcasting.

Losses incurred by a nonstate television and radio company as a result of emergency television and radio broadcasting are reimbursed from the appropriate budget.

Article 16. Additional requirements of television and radio broadcasting.

Television and radio programs capable of inflicting harm on the physical, mental, or moral development of minors must not be broadcast between 0700 hours and 2300 hours local time.

Dissemination of information about minors who have committed a crime, about crimes committed against underage victims, and also about suicide committed by these persons is banned if this information enables the identity of the minor to be established.

The dissemination of television or radio programs containing erotic or sexual scenes and dialogue, and also other erotic programs, is permitted solely between 2300 and 0400 hours local time.

The Federal Commission for Television and Radio Broadcasting is entitled to fine a license-holder if at least three-fourths of the commission's members note an abuse of freedom of mass information in television or radio programs aired under Article 4 of the Russian Federation Law "On the Mass Media."

Article 17. The reception of audio, visual, and audiovisual mass information

Viewers and listeners receive audio, visual, and audiovisual mass information and facts free or for a fee both using decoding devices and on open channels.

The Russian Federation, through its state bodies, creates the necessary conditions and takes measures, including appropriations from the state budget, to guarantee reception of the television programs of at least one all-Russia and one regional television and radio company on the territory of each component of the Russian Federation without decoding devices.

The license holder for cable, wired, and other nonbroadcast media must not limit the existing potential opportunities of viewers and listeners to receive television and radio programs from airwave broadcasting. In this connection the license holder should ensure good-quality relaying of airwave television and radio programs broadcast by television and radio broadcasting companies in the appropriate operating area.

Television and radio companies have an obligation to guarantee the observance of viewers' and listeners' rights in accordance with the Russian Federation Law "On Protecting Consumer Rights."

State bodies as well as public associations and organizations for the protection of consumer rights implement the protection of viewers' and listeners' rights and interests in accordance with their powers.

Viewers and listeners in the Russian Federation have the right to:

receive reliable and objective information on the activities of state bodies, public associations, officials and citizens, and other information of public significance through the television and radio companies;

a refutation of information which does not correspond to the facts or besmirches the honor and virtue of citizens, state bodies, and public associations.

Article 18. The retention of television and radio materials

Television and radio companies have an obligation to retain audiovisual recordings of all television and radio programs (including live broadcasts) for a period of one month after they go out and to keep a record of broadcasts which notes a broadcast's subject, emission date, start and finish times, the names of the authors and editor who put the program out, and a short description of its contents.

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After the period of a month has elapsed, the recordings may be destroyed if during that month no application for the refutation of information communicated in the broadcast has been received. Otherwise, they are destroyed only after any dispute has ended (a legal ruling has been made, an accommodation reached in court, and so on).

It is laid down that a record of broadcasts shall be kept for an indefinite period.

The Russian Federation Government determines the procedure for the long-term storage of television and radio programs possessing an artistic, historical, cultural, or other value.

Article 19. Communications activities in television and radio broadcasting

For a citizen or corporate body possessing, using, and having charge of networks and means of communication used for purposes of television and radio broadcasting, or having the intention to acquire these rights, the Russian Federation Ministry of Communications implements:

1. the acquisition of frequencies entered in the List of Frequencies in Use or Planned for Use for Purposes of Television and Radio Broadcasting;

2. the drawing up of other documents necessary for carrying out activities in the sphere of communications for television and radio broadcasting, including permits for the acquisition, construction, reconstruction, running, and import from abroad of technical facilities producing electromagnetic radiation, their registration, and other documents in accordance with current legislation.

These documents are issued only on the condition that a preliminary broadcasting license has been issued for the use of the appropriate frequency (frequencies, wave band). No competitions are held for the issue of licenses for communications activities in the sphere of television and radio broadcasting.

Article 20. Charitable activities in the sphere of television and radio broadcasting

Charitable activities in the sphere of television and radio broadcasting are a type of noncommercial activity involving individuals and corporate bodies (sponsors) financing television and radio companies, television or radio programs, other audiovisual organs of the mass media, and production enterprises.

Charitable funding of television and radio news broadcasts and programs on current political events is not permitted.

Political parties and other political associations, persons professionally involved in political activities, and corporate bodies and individuals carrying out entrepreneurial activities involving goods and services, the television or radio advertising of which is prohibited by current legislation, cannot be the benficiaries of charitable activities in the sphere of television and radio broadcasting.

Television and radio programs financed by a sponsor should contain credits, symbols, signs, or announcements to this effect broadcast exclusively at the beginning or end of the television or radio program.

Section 3

Television and Radio Companies

Article 21. Guarantees of television and radio broadcasting companies' independence

A television and radio broadcasting company will perform its activities on the basis of professional independence.

The state and its organs are not allowed to interfere in television and radio broadcasting companies' activities, except on grounds laid down by Russian Federation legislation and within the bounds of the relevant organs' powers.

Article 22. Antimonopoly guarantees

An enterprise or industrial finance (financial) group cannot directly or through its daughter enterprises be the owner (co-owner) of more than one television and radio broadcasting company, if the television and radio broadcasting companies' operating areas coincide completely or by more than two-thirds.

Article 23. Program policy

Citizens, associations of citizens, state and municipal organs, enterprises, institutions, and organizations are not allowed to control television and radio broadcasting companies' program policy in any way. The exception to this rule is control over the observance of the demands of:

1. television and radio broadcasting during elections or a referendum;

2. broadcasting of advertising;

3. broadcasting of specialized television and radio programs of an erotic nature;

4. the practice of sponsorship in the television and radio broadcasting sphere;

5. broadcasting of data, including teletext and videotext;

6. broadcasting of a court decision that has entered into effect containing specific instructions on its publication;

7. the Russian language and languages of other peoples of the Russian Federation.

Article 24. Publication data

Television and radio broadcasting companies are obliged daily to broadcast their name, information on

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the symbols they use (call sign, logo), and any other publication data, if provided for in Russian Federation legislation.

Television and radio broadcasting companies are obliged daily, on ending their broadcasts, to furnish information on organizations or enterprises that made their technical facilities available for the production and/or transmission of television and radio programs.

Article 25. Broadcasting codes

Television and radio broadcasting companies will adopt broadcasting codes containing the concepts behind their program policy, the rules of journalistic ethics and of the professional responsibility of company employees, the requirements relating to the cultural standard, artistic quality, and professional execution of television and radio programs on particular themes or in specific areas, and other standards relating to the production and broadcasting of audio, visual, and audiovisual information and data.

Broadcasting codes must not diminish the rights and freedoms laid down by the Russian Federation Law "On the Mass Media" and the present law.

State organs of the Russian Federation and components of the Russian Federation will not adopt normative legal acts on matters relating to the content of broadcasting codes, except in cases laid down by the present law.

Broadcasting codes will be adopted taking into account the views of journalists' collectives in television and radio broadcasting companies and with the consent of their boards of trustees.

Article 26. Types of television and radio broadcasting companies

State, public, and private television and radio broadcasting companies will operate in the Russian Federation.

A state television and radio broadcasting company is a television and radio broadcasting company founded by state organs of the Russian Federation or components of the Russian Federation. A state television and radio broadcasting company is mainly budget-funded.

A public television and radio broadcasting company is a television and radio broadcasting company cofounded by state organs of the Russian Federation or components of the Russian Federation and other corporate bodies and citizens.

A private television and radio broadcasting company is a television and radio broadcasting company founded by citizens and/or corporate bodies, except for state organs.

All television and radio broadcasting companies in the Russian Federation, irrespective of the type or form of ownership, have equal rights and identical responsibility in accordance with Russian Federation legislation. No television and radio broadcasting company can have advantages over other television and radio broadcasting companies in relations with the state, aside form those laid down by the present law.

Article 27. The duties of television and radio broadcasting companies in the dissemination of culture and education

Television and radio broadcasting companies must contribute to the development of Russian culture and education.

Through licensing and other legal policy the state will encourage the making of television and radio programs for the esthetic and ethical edification of viewers and listeners, giving them access to the spiritual riches of our culture and world culture and shaping artistic impulses and artistic tastes.

Freedom of television and radio broadcasting is incompatible with the broadcasting of television and radio programs that incite the commission of criminal acts directly threatening the safety of the individual or state, that disclose information constituting a state secret or other secret specially protected by the law, that contain calls to forcibly change the constitutional system and integrity of the state, that contribute to the fueling of ethnic, class, social, or religious intolerance and dissension, and that propagandize war and brutality.

State radio broadcasting companies broadcasting for more than four hours a day are obliged daily, between the hours of 0700 and 2300, to broadcast cultural enlightenment programs lasting at least 30 minutes, uninterrupted by advertising.

State television companies broadcasting for more than four hours a day are obliged monthly to broadcast cultural enlightenment programs lasting at least 1 hour 20 minutes, uninterrupted by advertising.

The requirement on the broadcasting of cultural enlightenment programs applies to each broadcasting channel used by license holders.

Television and radio companies will provide the organ that issued them with a broadcasting license with monthly information on cultural enlightement programs transmitted.

Television and radio broadcasting companies are responsible for the quality of the work of announcers and anchormen of television and radio programs from the viewpoint of observance of the rules of Russian and of the languages of the other Russian peoples, and of literary and esthetic demands.

Article 28. State television and radio broadcasting companies

State or municipal organs, in accordance with legislation, will adopt measures to ensure guaranteed reception

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of television or radio programs in operating areas of a quality commensurate with technical standards.

The state television and radio broadcasting company is obliged to ensure that a variety of information is disseminated by broadcasting news, sports, educational, cultural enlightenment, and entertainment television and radio programs, and television and radio programs for children and young people, television movies, and other information and items.

When devising their program policy state television and radio companies must:

1. provide airtime for the popularization of Russian cultural values and cultural assets and the heritage of the peoples of the Russian Federation;

2. provide viewers and listeners with a choice of regional, national, and other programs;

3. avoid preferential protection of the interests of particular political parties and other associations of entrepreneurs associations of enterprises, and employers' groups;

4. use prime viewing and listening time to provide socially significant information, while presenting various standpoints;

5. broadcast information and items for the deaf and hard of hearing;

6. provide free television and radio broadcasts in cases provided for by the law;

7. use the results of sociological research in order to satisfy as much as possible viewers' and listeners' various information needs and respect their tastes and interests.

State television and radio broadcasting companies will provide editorial boards of periodical publications with television and radio programs free of charge at the editorial boards' request. The editorial board of a periodical publication has no right to transfer a television or radio program obtained from a state television and radio company to third persons.

Section 4

Commissions for Television and Radio Broadcasting

Article 29. State management in the sphere of television and radio broadcasting

State organs effecting state management or regulation in the sphere of television and radio broadcasting, including coordination of the activity of television and radio companies, are not permitted to be established or to operate, with the exception of those provided for in the Russian Federation Laws "On the Mass Media" and "On Enterprises and Entrepreneurial Activity" and in the present law.

Article 30. The Federal Commission for Television and Radio Broadcasting

The Federal Commission for Television and Radio Broadcasting operates in accordance with the Constitution and on the basis of Russian Federation laws.

The main tasks of the Federal Commission for Television and Radio Broadcasting are:

1. to promote the development of activity in the sphere of television and radio broadcasting to provide television viewers and radio listeners with the widest possible choice of television and radio programs;

2. to distribute openly and rationally the naturally limited resource of frequencies for purposes of television and radio broadcasting;

3. to ensure citizens' rights to the freedom to seek, produce, disseminate, and receive information by means of radio and television in the forms laid down in legislation;

4. to prevent any forms of censorship in respect of activity in the sphere of television and radio broadcasting and to take measures to prevent political monopolization of the airwaves;

5. to ensure respect for the norms of public morality and ethics and the development of Russian culture and education in the forms laid down in legislation;

6. to promote the dissemination of news, popular scientific, and cultural-educational programs and programs aimed at the spiritual and aesthetic education of children and young people, the reinforcement of the family, and the assertion of a healthy way of life;

7. to protect television and radio workers from political and any other pressure when exercising their professional functions.

The Federal Commission for Television and Radio Broadcasting fulfills other tasks in accordance with the Russian Federation Law "On the Mass Media" and the present law.

The Federal Commission for Television and Radio Broadcasting:

1. issues broadcasting licenses;

2. approves standard forms of license;

3. draws up and publishes a state register of license holders and forms data bases on the terms of broadcasting licenses issued on the territory of the Russian Federation and monitors the license holders' compliance with the license terms in accordance with legislation on the mass media;

4. making use of recordings of television and radio programs after they have been broadcast, monitors compliance with the requirements for:

a) television and radio broadcasting during the period of holding elections or a referendum,

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b) the dissemination of advertising,

c) the dissemination of television and radio programs of an erotic nature,

d) sponsorship in the sphere of television and radio broadcasting,

e) the dissemination of data, including teletext and videotext,

f) the Russian language and the languages of other peoples of the Russian Federation,

g) the dissemination of information by the state television and radio companies directly listed in the present law,

h) the dissemination of a court ruling which has assumed legal force and which contains a targeted requirement for its publication;

5. monitors:

a) the conformity of the parameters of television and radio broadcasting with current technical standards and international norms,

b) the existence of a current certificate of conformity of technical means of television and radio broadcasting;

6. in instances defined by law imposes fines and annuls licenses for a violation of the requirements or terms monitored by the commission;

7. within the limits of appropriations from the Russian Federation state budget forms services and commissions and invites experts;

8. ensures the implementation of a unified technical policy in the sphere of television and radio broadcasting on the territory of the Russian Federation;

9. exercises other powers indicated in the present law.

The procedure for exercising the powers of the Federal Commission for Television and Radio Broadcasting is laid down in its regulations adopted if more than two-thirds of the commission's members voted for them.

The activity of the Federal Commission for Television and Radio Broadcasting is financed out of the Russian Federation state budget, with the cost of financing it being denoted by a separate point in the normative-legal acts on the budget.

The Federal Commission for Television and Radio Broadcasting annually publishes a report on its activity.

Article 31. The procedure for forming the Federal Commission for Television and Radio Broadcasting

The Federal Commission for Television and Radio Broadcasting includes:

1. five commission members appointed by the president of the Russian Federation;

2. five commission members appointed by the Federation Council of the Russian Federation Federal Assembly;

3. five commission members appointed by the State Duma of the Russian Federation Federal Assembly;

4. the commission chairman appointed by the president of the Russian Federation and approved by the State Duma of the Russian Federation Federal Assembly.

The powers of the commission chairman and members last for a term of six years.

The organs of state power of the Russian Federation determine their representatives on the Federal Commission for Television and Radio Broadcasting with due regard for proposals from all-Russia creative unions and journalists' unions.

Article 32. The suspension and early termination of the powers of the chairman and a member of the Federal Commission for Television and Radio Broadcasting

The powers of the chairman or of a member of the Federal Commission for Television and Radio Broadcasting can only be suspended or terminated early on the basis of the present law.

The powers of the chairman or of a member of the Federal Commission for Television and Radio Broadcasting are suspended by decision of the commission, pending the disappearance of the grounds for their suspension, if:

1. the chairman or a member of the commission is incapable for health reasons of carrying out his duties for six months or more;

2. the chairman or a member of the commission has been subjected to compulsory measures of a medical nature or restricted in his capability according to a court decision or ruling which has acquired legal force.

The powers of the chairman or of a member of the commission can be terminated early by the commission in view of:

1. his resignation;

2. a court conviction which has acquired legal force;

3. his having been deemed incapable by a court ruling which has acquired legal force;

4. his having been deemed absent in place unknown by a court ruling which has acquired legal force;

5. the death of a commission member or his having been deemed dead by a court ruling which has acquired legal force.

The organ which appointed the chairman or a member of the commission whose powers have been terminated

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early appoints a new chairman or member of the commission to replace the one who left before the expiration of his powers no later than two months after the vacancy arose.

Article 33. Regional commissions for television and radio broadcasting

The Federal Commission for Television and Radio Broadcasting may delegate some of its powers to the regional commissions for television and radio broadcasting being established by it.

A regional commission for television and radio broadcasting operates on the territory of one or several components of the Russian Federation. The commission is formed by the Federal Commission for Television and Radio Broadcasting with due regard for proposals from state organs and creative unions of the corresponding components of the Russian Federation. The powers of the chairman and members of a regional commission for television and radio broadcasting last for a term of three years.

A regional commission for television and radio broadcasting issues licenses for cable, wired, and other kinds of nonbroadcast media on the territory where it operates.

Within two weeks of issuing a broadcasting license a regional commission must report information on the license issued to the Federal Commission for Television and Radio Broadcasting.

Article 34. Guarantees of the independence of commissions for television and radio broadcasting

A member of a commission for television and radio broadcasting is guided in the exercise of his activity only by the norms of law and by professional skills and knowledge.

A commission member may not simultaneously hold or reserve for himself other posts, carry out work, and receive recompense, with the exception of the instances mentioned in the present law, in any state organs whatever, nor in enterprises, establishments, or organizations, engage in entrepreneurial activity, or have a private practice.

A commission member suspends his membership of political parties.

A commission member has the right, on conditions of holding more than one office or of payment by the hour, to engage in scientific research or pedagogical activity and to create and use works which are objects of copyright, but not in enterprises, organizations, or establishments in the sphere of television and radio broadcasting.

Section 5.

Licensing

Article 35. The license holder

The license holder is the enterprise which, in accordance with the present law, holds the broadcasting license, pursues a programming policy, and produces and distributes audio, video, and audiovisual mass information.

The following may not be license holders:.

1. enterprises founded by associations of citizens, enterprises, organizations, or establishments whose activity is prohibited by law;

2. enterprises founded by political parties, trade unions, or religious organizations;

3. legal persons not registered in the prescribed manner on the territory of the Russian Federation and enterprises where the proportion of foreign capital or votes in the collective organs of management exceed 49 percent.

The license holder's financial and economic activity is to be carried out in accordance with the legislation of the Russian Federation.

Article 36. The broadcasting license is the only necessary legal grounds for the use of a frequency or cable or wired network on the territory of the Russian Federation for the purposes of television and radio broadcasting unless otherwise prescribed by the present law.

Airwave [efirnyy] broadcasting licenses are issued solely on a competitive basis in accordance with the List of Frequencies to be published.

Citizens, associations of citizens, state and municipal organs, enterprises, establishments, and organizations do not have the right to restrict the license holder in the exercise of the rights acquired by him in accordance with the license.

Article 37. The requirement on the holder of a license for non-airwave television and radio broadcasting.

The holder of a license for cable, wired, or other nonairwave television and radio broadcasting who has the technical potential and a license to broadcast on 15 or more dissemination channels is obliged upon payment to make one channel available to the state federal license holder, one channel to the state regional license holder, one channel to the public license holder, and one channel to be kept in reserve.

Article 38. List of Frequencies

The list of frequencies is compiled by the organs of the Russian Federation Ministry of Communications on the basis of the list of frequencies which are being or are planned to be used within the range of frequencies allocated by the International Telecommunications Union for the purposes of airwave television and radio broadcasting on the territory of the Russian Federation.

The Federal Commission for Television and Radio Broadcasting shall approve the List of Frequencies and publish it annually.

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Article 39. Application for a Broadcasting License

The license application shall indicate:

1. the applicant's name and legal address;

2. the means of dissemination of information;

3. the approximate thematic range and area of specialization of the television or radio programs;

4. the frequency and maximum volume of television and radio broadcasting;

5. the languages to be used in television and radio broadcasting;

6. proposed area of reception;

7. information on the applicant's ownership of previously issued licenses and of the mass media founded by him, and also a list of means of mass information which the applicant produces or disseminates;

8. information on the applicant's possession of a certificate of suitability of the technical means of television and radio broadcasting;

9. the date of application.

The application may be made both on the applicant's terms and in accordance with the terms of a competition.

The application for a license on the applicant's terms must also contain expert information on the proposed dissemination channel. The Commission for Television and Radio Broadcasting must publish the applicant's terms and may publish them as the terms of a competition no later than 10 days after the receipt of the application.

The application made in accordance with the terms of a competition published by the Commission for Television and Radio Broadcasting is to be submitted no later than 30 days after the publication of those terms. If within the aforementioned period the commission has not received a single application it shall publish new competitive terms for that dissemination channel or shall examine the application of the state television and radio company, which may be submitted within 45 days.

The State Television and Radio Company may submit applications for broadcasting licenses in accordance with part five of this article or in confirmation of the right to use the dissemination channels allocated to it at the moment of enactment of the present law.

Applications which contravene the requirements of the present law shall be rejected.

Article 40. Selection of a license holder

When selecting the license holder the Commission for Television and Radio Broadcasting shall take the following into account:

1. the interests of television viewers and radio listeners and of their political, religious, ethnic, age, and other social groups;

2. the need to reflect a plurality of opinions in television and radio programs;

3. the need to popularize cultural values, develop local traditions, customs, and language, ensure the spiritual and aesthetic education of young people, and protect public morality and ethics, the family, and a healthy way of life;

4. whether the applicant's television and radio broadcasting terms correspond to the terms of the competition;

5. the technical and financial ability to carry out television and radio broadcasting with the aforementioned characteristics or characteristics approximating to them;

6. possession of a certificate of suitability of the technical means of television and radio broadcasting;

7. the results of the public hearing of applicants' representatives and of other competitive procedures.

The applicant for a license to use the cable or wired network for television and radio broadcasting purposes shall submit a feasibility study of the cable or wired network which has been coordinated with the municipal organs as well as the civil law grounds for the use of the cable or wired network.

The commission shall agree with the applicants the necessary terms of the license and select the license holder no later than 60 days after the deadline prescribed for the submission of applications in accordance with the terms of the competition.

Article 41. Refusal to issue a broadcasting license

A broadcasting license may be refused on the following grounds alone:

1. if the application is made by a person who is prohibited by the present law from being a license holder or by a person who does not have the corresponding powers;

2. if the applicant does not have the technical means to carry out television and radio broadcasting with the aforementioned characteristics or characteristics approximating to them.

3. if the applicant is not selected as a license holder after a competition.

Notification of refusal to issue a license shall be sent to the applicant in writing indicating the grounds for refusal.

Article 42. Content of the broadcasting license

The license shall contain the following information provided by the applicant:

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1. the applicant's full name;

2. the status of the license holder (state, public, private);

3. the means of dissemination of information;

4. the applicant's location.

The license shall contain the following information provided by the Commission for Television and Radio Broadcasting:

1. the area of reception;

2. the time of the television and radio broadcast;

3. notification of the payment for the license;

4. information on the liability for contravening the terms of the license;

5. the registration number and date of issue of the license.

The license shall contain the terms of the license agreed between the applicant and the Commission for Television and Radio Broadcasting:

1. the television and radio broadcasting frequency or frequencies;

2. the location of the transmitting apparatus;

3. the projected audience;

4. the broadcasting language;

5. the list of channels provided by the license holder by contract for the dissemination of general federal and general regional television programs (for a license for the use of the cable or wired network for television and radio broadcasting purposes);

6. the broadcasting commencement date.

Article 43. Issue of a broadcasting license

The Commission for Television and Radio Broadcasting shall issue a broadcasting license to its chosen applicant no later than 10 days after payment for the license has been made in the prescribed manner.

Article 44. Duration of the broadcasting license

The initial duration of the broadcasting license is as follows:

1. twelve years—for use of the cable or wired networks;

2. six years—for the use of frequencies for airwave television broadcasting;

3. five years—for the use of frequencies for airwave radio broadcasting.

With the agreement of the license holder and the Commission for Television and Radio Broadcasting, the duration of the license may be extended for a period not exceeding its initial duration.

If the license holder has not contravened any of its conditions or, similarly, any other requirements controlled by the Commission for Television and Radio Broadcasting, the present law guarantees the extension of the license for the equivalent of the initial period. Otherwise the duration of the license may be extended by agreement between the license holder and the Commission for Television and Radio Broadcasting by no more than half the initial duration.

Article 45. The right to disseminate additional information

The license holder may disseminate additional information (data) including teletext and videotext while observing the requirements of the existing legislation.

Article 46. Restrictions on the number of channels of dissemination

If areas of reception coincide entirely or by more than two-thirds, a license holder may not receive a license (licenses) for airwave broadcasting:

1. for the use of more than one frequency in each frequency band except when allowed by the law;

2. for the use of more than two frequencies for radio broadcasting in the ultrashort wave band, one frequency in the sub-band up to 87.5 MHz and one frequency in the sub-band from 87.5 MHz to 108.0 MHz respectively;

3. for the use of more than three dissemination channels for radio broadcasting;

4. for the use of more than two dissemination channels for television broadcasting.

Article 47. Cancellation of license

A broadcasting license may be canceled by decision of the Commission for Television and Radio Broadcasting on the following grounds alone:

1. if it was obtained by deception;

2. if there has been a systematic breach of the conditions of the license and of other requirements controlled by the Commission for Television and Radio Broadcasting, and the Laws of the Russian Federation "On the Mass Media" and "On Copyright and Associated Rights," as a result of which the Commission for Television and Radio Broadcasting has issued a written warning;

3. if the Commission for Television and Radio Broadcasting has established that a broadcasting license has been conceded in secret;

4. if the license holder does not make a television or radio broadcast for six months or more within the duration of the license;

5. if the restrictions on the number of dissemination channels for one license holder are violated;

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6. if a license has been conceded to individuals who are debarred by the present law from applying for a license;

7. at the license holder's request;

8. if the television and radio broadcasting in question represents a threat to people's health and is corroborated as such by medical specialists who are independent of the Commission for Television and Radio Broadcasting, or if it creates interference for other radio transmitters or radio receivers and talks on changing the licensing conditions have not led to the required changes being made within 15 days.

The Commission for Television and Radio Broadcasting shall not be materially liable for losses incurred by license holders as a result of the lawful cancellation of a license. The payment made for processing the broadcasting application shall not be refunded.

An appeal against the commission's decision to cancel the broadcasting license may be made to a court.

Section 6.

Television and Radio Broadcasting Without a License

Article 48. Conditions for television and radio broadcasting without a license

A license is not required to use a cable or wire network if television or radio broadcasting is carried out by means of domestic audio or video equipment and studio and nonstandard equipment is not being used.

A license is not required if television or radio broadcasting is organized for a period not exceeding 45 days in connection with the holding of mass or sporting events or ceremonies, on the basis of a temporary permit (a simplified form of broadcasting license) issued by the Federal Commission for Television and Radio Broadcasting.

Television and radio broadcasting without a license can be carried out in the case of emergency television and radio broadcasting in accordance with the present law.

Television and radio broadcasting without a license must not lead to a deterioration in the quality or a reduction in the quantity of other television or radio programs in the operating area, nor must it create interference to other radio transmission or radio reception facilities.

Television and radio broadcasting without a license which is carried out in violation of the present law's requirements is not permitted and is subject to immediate curtailment.

Article 49. Notification of television and radio broadcasting without a license

The person responsible for carrying out television or radio broadcasting without a license is obliged to send the Federal Commission for Television and Radio Broadcasting written notification of the organization of television or radio broadcasting no later than 40 days before broadcasting begins.

The notification must contain information on:

1. the person responsible for carrying out the television or radio broadcasting;

2. the operating area;

3. the maximum number of television viewers or radio listeners;

4. the approximate subject matter and specialty of the television or radio broadcast;

5. the time of television or radio broadcasting.

Section 7

Responsibility for Violating Television and Radio Broadcasting Legislation

Article 50. Responsibility for violating the present law

People guilty of violating the present law are administratively and otherwise responsible under Russian Federation legislation.

Article 51. Fines

Fines are applied to the license holder in the event of his repeated violation of Russian Federation legislation or the conditions of the broadcasting license, and in other cases mentioned in Russian Federation laws.

The size of the fines is calculated on the basis of the license holder's advertising rates on the given broadcasting channel at prime viewing and listening times.

A one-shot fine imposed on a license holder cannot exceed the maximum cost of two hours advertising time on the given broadcasting channel.

Article 52. Resolution of disputes

Disputes arising from legal relations regulated by the present law are resolved by a court, arbitration court, or arbitration tribunal in the manner prescribed by legislation.

Article 53. Reimbursement of losses

Losses caused to or by the license holder as a result of illegal actions (inaction) in the sphere of broadcasting are subject to reimbursement in accordance with legislation.

Section 8.

The Procedure for the Law's Coming Into Force

Article 54. When the law comes into force

The present law comes into force as of.... [ellipsis as published]

Article 55. Amending and adding to previously passed laws

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Previously passed laws and other legal acts are to be amended and added to in connection with the passing of the present law.

Article 56. Bringing legal acts into line with the present law

The Russian Federation president is requested to bring legal acts of the Russian Federation president into line with the present law.

The Russian Federation Government is instructed to bring legal acts of the Russian Federation Government into line with the present law.

Federal Assembly

Duma Chairman Issues Decree on Economic Reform

MM0911121394 Moscow ROSSIYSKAYA GAZETA in Russian 9 Nov 94 First Edition p 4

[Russian Federation Federal Assembly State Duma Decree "On the Socioeconomic Policy of the Russian Federation Government," signed by I.P. Rybkin, chairman of the Russian Federation Federal Assembly State Duma; dated 28 October 1994]

[FBIS Translated Text] Realizing its responsibility to the citizens of multiethnic Russia; taking into consideration the fact that the situation in society remains contradictory, and that, despite a certain reduction in inflation, the destructive and critical trends are continuing to grow and are embracing many spheres of society's life and are having a negative effect on the living standard of a significant section of the country's population; proceeding on the basis that the main aim and content of the economic policy of the Russian Federation president, parliament, and government should be the creation of an effective socially oriented market economy, the Russian Federation Federal Assembly State Duma decrees:

1. To deem the activity of the Russian Federation Government in implementing the socioeconomic policy and economic reform to be unsatisfactory and not meeting the expectations of the majority of the Russian population.

2. To propose to the Russian Federation president that he should expound, before the citizens and the Russian Federation Federal Assembly, his position on the real state of affairs in the country, the course of the implementation by the Russian Federation Government of the Message of the Russian Federation president to the Federal Assembly "On Strengthening the Russian State (Basic Spheres of Domestic and Foreign Policy)," the reasons leading to the present state of the economy, and measures to overcome the crisis.

3. To note the lack of coordination between the actions of a number of structures in the Russian Federation President's Staff and the Russian Federation Government in settling questions of state administration.

To recommend to the Russian Federation president that he should carry out organized measures to eliminate parallel and dual functions in the activity of the departments of the Russian Federation President's Staff and the Russian Federation government. It should be deemed necessary to accelerate the adoption of the Federal Law "On the Russian Federation Government."

4. With the aim of strengthening the composition of the Russian Federation Government, to recommend to the Russian Federation president and the government chairman to make appropriate cadre changes, taking into consideration the proposals made by factions and deputies at the State Duma sitting 27 October 1994.

[signed] I.P. Rybkin, chairman of the Russian Federation Federal Assembly State Duma

[Dated] Moscow 28 October 1994

No. 302-1 GD [as published]

Yerin Advises Thousands May Receive Amnesty

LD0911120494 Moscow INTERFAX in English 1149 GMT 9 Nov 94

[FBIS Transcribed Text] Under resolutions by the State Duma of the Russian Federation various forms of amnesty are applicable to more than 345,000 people, the Russian Interior Minister Viktor Yerin has told State Duma Chairman Ivan Yerin [as received] in a letter.

A total of 211,173 people have been released from prison, including 4737 women and more than a 1000 juvenile delinquents. More than 13,000 people had their prison terms reduced and about 10\,000 were allowed to return to their original profession at an early date.

Viktor Yerin said that under the parliamentary resolution to amnesty those involved in the August coup of 1991, the clashes of May 1 and of September-October last year, 1951 people were released and criminal charges dropped against 11,500.

Regional Affairs

Abdulatipov Suggests Solutions to Ethnic Problems

LD0811161094 Moscow ITAR-TASS in English 1540 GMT 8 Nov 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[FBIS Transcribed Text] Moscow November 8 TASS—Ramazan Abdulatipov, deputy speaker of the Russian Federation Council, suggested that a special representative of the Russian president for the affairs of Chechnya be appointed and a council for ethnic problems be set up at the head of state. He addressed on Tuesday a meeting of the commission for the implementation of the treaty

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on public accord. Speaker of the Federation Council Vladimir Shumeyko made a similar suggestion to Boris Yeltsin on the results of a round table meeting of leaders of the Northern Caucasus, Abdulatipov said. "Unless a special representative of the russian president for the affairs of chechnya is appointed, political forces of the republic will have no one to conduct negotiations with", the deputy speaker believes.

Abdulatipov said the federal authorities "seem hesitant to pursue their own policy in Chechnya". As a result, "ethnic revanchism unleashed by Dzhokhar Dudayev is intensifying in the republic. He tries to convince the population that Chechens have had a grievance with Russia from the 18th Century and that no relations can be maintained with Russia".

Abdulatipov also called attention of members of the conciliatory commission to the Ossetian-Ingush conflict. He said "the federal authorities have actually been unable to achieve anything toward resolving the conflict. For another winter refugees cannot return to their homes".

Despite the Russian government's decree on aid to Ingush refugees returning home, "reconciliation of the two peoples is now impossible" because of mutual fear and distrust between Ossetians and Ingushes. "reconciliation will take long", Abdulatipov believes. He also believes it is unrealistic to expect that all Ingushes can be resettled in places where they will live side-by-side with Ossetians.

Sergey Filatov, chief of the presidential administration, suggested that a delegation of the conciliatory commission be sent to the area of the state of emergency for control over the resettlement of Ingushes.

The fundamental stand of the federal authorities that power methods and pressure cannot be used for dealing with ethnic conflicts was reaffirmed at the meeting. Abdulatipov suggested "cooperation with leaders of ethnic movements" toward settling these conflicts.

Moscow Mayor Asks For Fuel Assistance

LD0811155494 Moscow Mayak Radio Network in Russian 1500 GMT 8 Nov 94

[FBIS Translated Text] Moscow's mayor Yuriy Luzhkov has asked the head of the Russian government, Viktor Chernomyrdin, to provide help in resolving the gasoline crisis in the capital. In Moscow at the moment certain refineries are working at partial capacity which, in turn, is causing a shortage of fuel at filling stations. This situation is affecting the activity of the city's communal services, transport and industry. The press centre of the Mayor's Office reports that the gasoline shortage is forcing the Moscow government to raise gasoline prices but this threatens socio-economic and political destabilization in the Moscow region.

Ministry on Refinery Repair, End of Crisis

LD0911130394 Moscow INTERFAX in English 1146 MT 9 Nov 94

[FBIS Transcribed Text] The fuel crisis in Moscow may be over after November 12 when the capital's oil refinery will be able to operate at full capacity, the Russian Fuel and Energy Ministry's press- service reported to Interfax Wednesday.

The ministry's chief Yuriy Shafranik and Moscow's Mayor Yuriy Luzhkov reportedly discussed the critical gasoline supply situation in Moscow Tuesday night. The crisis was blamed on the repair of an oil processing installation at Moscow's oil refinery, meaning that the plant can only refine 14,000-17,000 tonnes of oil daily instead of the intended output of 30,000 tonnes.

Participants in the meeting noted that gasoline is being pumped through a so-called "emergency line", which involves oil delivery by Rosneft and Surgutneftegaz to oil refineries in Kirishi (Leningrad Region) and Ryazan and Yaroslavl (Central Russia) for subsequent shipment of refined oil products to the Moscow Region.

The Russian government was urged to avoid situations in which commercial structures are able to inflate prices four-five times by taking advantage of fuel shortages. Shafranik spoke in favor of state guarantees for supply of oil products to Moscow and other major Russian regions.

Meanwhile, according to well-placed Moscow government sources, the Mayor's Office warned about a possible fuel crisis back in late October. In a special message to Prime Minister Viktor Chernomyrdin, Deputy Moscow Premier Boris Nikolskiy reported that the capital's gasoline reserves will not last more than 24 hours.

Moscow authorities have declared that gasoline stations which boosted fuel prices will be stripped of their licences.

IAEA Confirms High Nuclear Safety Standards

LD0811201094 Moscow INTERFAX in English 1700 GMT 8 Nov 94

[FBIS Transcribed Text] As experts from the International Atomic Energy Agency IAEA have confirmed to Rosenergoatom, a state- run consortium, upon their recent inspections of nuclear facilities in Russia, safety standards at Russian nuclear power plants are high.

In an interview with INTERFAX, Rosenergoatom has refuted foreign press predictions that Russia may have a disaster similar in scale to the accident at the Chernobyl nuclear power station (Ukraine) in 1986.

The IAEA commission, which included inspectors from the U.S., Britain, France, Sweden, Spain, and some other countries, did not find any breach of internationally accepted operational procedures at the Russian nuclear power facilities they inspected, nor did they report

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neglect for nuclear safety. Checks were conducted at the Kola, Balakova, Novovoronezh, and Kalinin stations. As Rosenergoatom stressed, atomic stations have been permanently controlled by specialists from Russian State Atomic Surveillance Committee, an organization that is entitled to order the shut down of separate power units or whole nuclear power plants, if they breach safety rules.

So far, Gosatomnadzor has not instructed Rosenergoatom to close any nuclear power facility. According to Rosenergoatom, there are foreign firms wishing to undermine trust in Russia's nuclear industry behind periodic western media claims about poor nuclear safety in Russia.

Some "foreign firms actively offer us their equipment and nuclear reactors, if we turn down domestic enterprise services," a senior Rosnergoatom official said to INTERFAX.

Komi Pipeline Continues To Leak, No New Spill

LD0811143594 Moscow Ostankino Television First Channel Network in Russian 1252 GMT 8 Nov 94

[Video report by correspondent Lana Gorbunova; from the "Novosti" newscast]

[FBIS Translated Text] There was an ITAR-TASS report today on a statement by Yuriy Yemelyanov, head of the expedition that carried out an analysis of the Usinsk disaster situation. The statement said that no new oil spills have been found. Experts believe that the Greenpeace activists mistook the technical procedure of destroying oil in an old, damaged section of the pipeline for a new, burning oil spill.

There is no big difference whether it is the old or the new parts of the pipeline—the pipeline, which has not had any repairs from the time it was laid down 20 years ago, is as full of holes as a piece of lace. These spills happen all the time.

Activists of the "Save the Pechora" movement are indignant at the behavior of the local authorities. Its president has come to Moscow especially to participate in a news conference. [video shows unidentified person addressing news conference]

[Unidentified person] It is known that the population of settlements and villages along the Pechora [river] lived from times immemorial by hunting and fishing. Today these traditional forms of economic activity can no longer support the population. People have simply been deprived of these forms of economic activity. There are no animals to hunt and no fish in the river. Besides, the population always engaged in agriculture and animal husbandry to a certain extent. Today the local population is deprived of this possibility because all the meadows and pastures are covered in oil. Last spring, according to the records of members of our movement living in those areas, in settlements and villages along the Pechora, oil has been leaking into the Pechora systematically in recent years, even without accidents on such a scale, after so-called everyday, small accidents. For instance, last spring oil floated down the Pechora river over a period of 17 days after the thawing of the ice, and this fact was recorded by our members. [video shows oil pouring out of a pipeline, an excavator at work, oil seeping up through the soil, oil burning on the ground, and person addressing news conference]

Repairs Resume

LD0911095394 Moscow ITAR-TASS in English 0924 GMT 9 Nov 94

[By ITAR-TASS correspondent Viktor Makarov]

[FBIS Transcribed Text] Usinsk November 9 TASS—Restoration work to eliminate the consequences of the August-September leakage in the pipeline near Usinsk in the Republic of Komi has been resumed, the headquarters of the civil defence of the Republic of Komi told ITAR-TASS. The work was temporarily stopped due to bad weather conditions.

As already reported, urgent measures to eliminate the consequences of the leakage in the oil pipeline have been completed. Oil products spilled in the river have been skimmed off, and over 7 km of its coastline has been cleaned. The oil layer in the Rivers Kolva and Usa has been removed before their freezing-over.

During the first stage about 1000 tonnes of oil-containing fluid and oil-soaked soil out of 14033 tonnes (according to oil industry workers) spilled in August-September leakage was removed. The skimming of oil products in the rivulets Palnik-Shor and Bezymyanny is underway, and in the Khata-Yaga marsh the work has begun.

In compliance with a decision made by the Commission for Emergency Situations of Komi, a comprehensive plan for the second stage of eliminating the consequences of the pipeline leakage is being worked out. The work is expected to be finished by April 1, 1995, before the beginning of the spring floods, in a bid to exclude the possibility of polluting the basin of the River Pechora. Special maps of territory contaniminated by oil products have been prepared which are meant for precisely identifying places and determining volumes of the spilled oil.

Yevgeniy Grunis, the Komi Republic's minister of industry, transport and communications, refuted the report from the Russia- based branch of the international environmental organization "Green peace", which alleged that a new breakdown of the pipeline has occurred in the vicinity of Usinsk on November 5-6 and oil has leaked in large quantities. According to the minister, the ballyhoo over the pipeline breakdown has been raised by rivals of the Komi oil industry workers and a number of foreign firms which are taking deep interest in oil and gas bearing fields in the Pechora province.

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Experts on Cleanup of 'Environmental Disaster'

MM0911113194 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 9 Nov 94 p 3

[Report by Vlad Tupikin based on Socioecological Union material: "Black Gold Ruins Us. Socioecological Union Collects Money To Eliminate Accident in Komi"]

[FBIS Translated Text] The accident that has been made public happened on the main pipeline belonging to the "Komineft" Association's "Usinskterneft" Oil and Gas Extraction Administration in October. But the environmental disaster developed over several months (there were constant oil leaks in a 50-km section of pipeline in the period July through October 1994) and affected the ecosystem of the Pechora River basin and the entire Arctic region. The basins of the Kolva and Usa rivers, which flow into the Pechora, have also been affected by the oil. In the village of Kolva the oil slick by the bank measures between 10 and 25 cm thick. Over 900 tonnes of oil have been collected from a 700-meter area.

The Republic of Komi Government officially admits that since 1 November 14,033 tonnes of oil have spilled. According to documents in the possession of the Committee To Save the Pechora (Socioecological Union), based solely on the results of a survey of three sections 23 through 25 August 1994 64,393.5 tonnes of spilled oil were recorded. According to Socioecological Union experts, at least 200,000 tonnes were spilled. But even if you accept the data cited by the oil men the total fine for the accident, including local supplements, will be over 230 billion rubles [R] (around $76 million).

According to information that the Socioecological Union Press Service received from the Usinsk City Committee for Nature Protection, the October accident was the 15th in the last few months to affect this pipeline. The committee recorded 14 accidental spillages 23 August 1993, material pertaining to which has been sent to the Syktyvkar City Department for Environmental Protection. The spillages were caused by the disastrous state of the pipeline (corrosion) which, according to the findings of the Pechora Oil Institute (the State Oil Industry Research and Design Institute) was deemed unfit for use as early as 1990. It was the state of the pipeline that resulted in the loss of between 12 and 25 percent of the oil at the time of the accident during transportation from the extraction site to the refinery.

Because the oil people deliberately covered up the time and scale of the accident there was an unwarranted delay in taking steps to eliminate its aftermath. This caused even greater pollution of the environment as well as agricultural areas.

The position espoused by official bodies constitutes a direct attempt to cover up an environmental crime. The difference between the official and the real figures expressed in terms of the cost of the environmental damage runs to hundreds of billions of rubles (tens of millions of dollars). The precedent set by this flagrant interference on the part of politicians in nature protection leaves the way open for further environmental devastation as a result of accidents at industrial enterprises.

"The work of dealing with the accident is complicated by the fact that part of it occurred in a boggy area. This means that equipment cannot be used and compels us to wait for the onset of winter. Some of the oil that ended up in the rivers has sunk to the bottom and is being carried downstream. Fishermen from Ust-Usa village (the place where the Usa joins the Pechora) are finding lumps of oil in their nets. In addition, snowfalls are making it difficult to assess the scale of the disaster. Since the fines imposed on the 'Komineft' Association are huge, it is hard to expect it to be able to pay up. What is more, we can expect it to try to prolong the payment process as much as possible by disputing the amount of the fine," Vladimir Zamoyskiy, a Socioecological Union expert on the oil industry, believes. The Socioecological Union has already obtained the agreement in principle of a number of research centers, laboratories, and firms specializing in the elimination of oil disasters to take part in cleaning up the oil pollution in the Komi Republic. In order to carry out the work the Socioecological Union has formulated a program to deal with the aftermath of the accident, which has been submitted to the Russian Federation Security Council, the Komi Republic mission in Moscow, the Syktyvkar Civil Defense headquarters, and the Komi Republic Department for Environmental Protection. The program envisages three phases. First, a study of the current state of the polluted area. Second, a partial cleanup operation, along with preparatory work to prevent the pollution from spreading with the 1995 spring floods. The third stage presupposes carrying out a cycle of recultivation work in nature and agricultural areas during the 1995-1998 period.

Experts estimate the cost of the first stage—a detailed survey of the disaster area—to be R2.6 billion, or around $850,000. The Socioecological Union is willing to organize and conduct this work between November 1994 and January 1995 but, as a noncommercial and nongovernment organization, it does not have the above financial potential. However, the Socioecological Union is prepared to organize the collection of the funds needed to carry out its plans and fund the first phase of the work. The telephone numbers for potential sponsors to call are 928-76-08 and 206-97-90.

Oblast Power Commission 'Deprives' Military

MM0911094794 Moscow KRASNAYA ZVEZDA in Russian 9 Nov 94 p 1

[Report by Aleksandr Davidyuk: "'Chitaenergo' Does Not Throw Words to the Wind"]

[FBIS Translated Text] By a decision of the Chita Oblast Apartment Management Unit regional power commission three garrisons in the Transbaykal Military District

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have already been deprived of electricity. An air force regiment on alert duty on a MIG-29 is in one of the garrisons.

Yuriy Rozhkov, general director of the "Chitaenergo" joint-stock company, told your correspondent: "On 5 October this year the regional power commission adopted decision number eight 'on the list of electricity consumer in debt to the joint-stock company and liable to be disconnected unless payment is made within 30 days.' It is by this decision that we shall be guided in our work and not by the government decree no. 307 (of 8 April 1994) according to which the issue of fuel and energy resources to military units and enterprises and organizations of the Defense Ministry system are not liable to restriction or cessation."

Coal Fields Stand Idle, Workers Await Back Pay

MM0911114194 Moscow RABOCHAYA TRIBUNA in Russian 9 Nov 94 p 1

[Unattributed report: "Fed Up With Working 'For Free'"]

[FBIS Translated Text] The Moscow Coalfield is essentially standing idle for the second week running, as 15 of its 17 mines are on strike, demanding that the wages arrears, which total 30 billion rubles for the "Tula-ugol" association, be paid. Coal is only being issued to hospitals, schools, pre-school facilities, and essential municipal facilities.

The protest action started 27 October with a strike at the "Nikulinskaya" mine. Now the workers at all the mines which have joined it have stated that they will not go back to work until they see the money they have earned in their own hands. And they have not been receiving this money since June.

Accident Kills Three at Kama Power Station

MM0911112994 Moscow KOMSOMOLSKAYA PRAVDA in Russian 9 Nov 94 p 1

[Report from the "Information" column, prepared by G. Mironova, L. Terentyeva, O. Yegorova, F. Mozgovoy, I. Yelkov, S. Sergiyenko, EAN, and S. Chernykh: "Kama Rages"]

[FBIS Translated Text] Three people were killed in an accident at Kama Hydroelectric Power Station. Six floodgates were swept away in the western channel. Two barges were separated from the pusher tug escorting them through the channel. Under the pressure of the water the barges swept away all obstacles in their path. The sea gates remained intact, hence there was no danger to the city from the Kama Sea. A special commission is investigating the circumstances of this emergency situation.

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International Affairs

EU Declines Macroeconomic Loan Proposal

LD0811175394 Kiev Radio Ukraine World Service in Ukrainian 1700 GMT 8 Nov 94

[FBIS Translated Text] European Union [EU] economy and finance ministers have declined a proposal by the European Commission [as heard] to grant an 85 billion European currency unit credit to Ukraine for macroeconomic purposes. They hope, however, that agreement will after all be reached by the end of this year to provide economic assistance for Kiev.

The ministers who assembled in Brussels believe that assistance to Ukraine should be within the framework of the EU's strategy toward the former Soviet Union's republics. They have instructed the European Commission to draw up proposals accordingly.

Kuchma Discusses Pipeline Cooperation With Japan

LD0811204094 Kiev Radio Ukraine World Service in Ukrainian 1700 GMT 8 Nov 94

[FBIS Translated Text] Ukraine President Leonid Kuchma met on 8 November Mr. Nakamura, president of the well-known Japanese company, "Shiba Corporation." In particular, they discussed the company's participation together with organizations of the Ukrainian State Oil and Gas Committee and the Ukrainian company Petrolimpex in the construction of oil pipelines in Turkmenistan. It was stressed that the whole range of work at these facilities, namely design, construction, and the supply of equipment will be carried out by the Ukrainian side. Leonid Kuchma supported the above project and expressed continuing support for Ukrainian and Japanese organizations and companies in realizing it. The head of our state also stressed that Ukraine regards the development of relations with Japan as a priority. This was reported by the president's press service.

National Affairs

Kuchma Administration Finalizes Key Appointments

WS0811131594 Kiev VYBIR in English 2130 GMT 7 Nov 94

["Analysis" by Vyacheslav Pikhovshek: "All the President's Guys"]

[FBIS Transcribed Text]

Introduction

President Kuchma finished the establishment of his administration and appointed his people to the key posts.

Despite different opinions of experts concerning personal traits and skills of these people, the questions still remain: What are they? Will they work as a single well-balanced team? If so, what are their goals and prospects?

Let us briefly analyze the careers of the president's people, the reasons that led to their inclusion into the president's team using the available and authentic information whose shortage often made news media use rumors and thus distort the real state of affairs.

Resignations

Personnel policy of the president may be split into two sections: resignations and appointments. Despite the rumors, not so many people were forced to resign. Among them, are distinctly Kravchuk's people from the president's administration, defense and interior ministers Radetsky and Vasylyshyn, Foreign Minister Zlenko. Others resigned voluntarily like Kravchuk's advisor Buteyko and deputy minister Nedryhaylo (they became parliamentarians). A. Matviyenko, former member of the parliament's presidium, also resigned and started to create funds and parties, N. Khomenko, head of the parliament's secretariat, became a pensioner, Kravchuk's advisor Ternopylsky, ex-MP Skoryk and ex-Ambassador to the United States Belorus still stay with the ex-president.

No big purges took place. I. Tymchenko, head of juridical department of the president's administration, is still there, the same holds for S. Teleshun, head of the public relations department, O. Bondarchuk, chief interior policy consultant and many others.

It seems that they retain their posts due to their high skills. I. Tymchenko is a famous lawyers, he worked in the Institute of State and Law of Ukraine, defended the thesis called "Law-making activity in the sphere of state management", former member of the board for legislative policy of the short-lived state Duma; S. Teleshun—an expert on national security and borders, O. Bondarchuk knows how to deal with trade unions and strikes...

Only those were forced to resign who really had no alternative.

It was necessary to replace the interior minister taking into account his inability to fight against the mounting crime. Before the second round of presidential elections, Foreign Minister Zlenko called as "ravings" the Kuchma's foreign policy program while Defense Minister Radetsky stated that he would fulfill only the parliament's decisions which Kuchma obviously did not like, particularly taking into account the ideas of parliamentarism advanced by Speaker Moroz. The same holds for resignation of N. Mykhalchenko, former head of the board for interior matters, and other supporters of Kravchuk.

All resignations and the things that followed took place in a different way. In spite of "ravings," A. Zlenko will

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represent Ukraine in the United Nations unlike Vasylyshin and Radetsky whose future political careers are still unclear. Such honorary "exile" reminds of the case with Polyansky who was brave enough to compete with Brezhnev and thus was appointed the USSR ambassador to Japan while his daughter received a luxurious apartment in Moscow. Probably, President Kuchma prefers a soft approach to "bad guys".

Appointments—"Driving Belts"

So, let's see who have come. 63 years old Hennadiy Udovenko, professional diplomat, former Ukraine's representative to the United Nations and International Labor Organization, became the foreign minister. That appointment showed that Kuchma tried to prevent the opposition on the part of professional diplomats. Some foreign ministry officials say that said appointment was a compromise that helped balance the ambitions of several younger candidates to the post. Time will show whether Udovenko is able to overcome "the complex of Brezhnev" who, in the beginning, was also treated as a temporary "transitional" leader.

Besides, it seems that Kuchma was right appointing Udovenko to the foreign minister's post as the man just to convey the president's ideas and neutralize B. Oliynyk, hard line communist, chairman of the parliamentary commission for foreign affairs and ties with the CIS, who advances such "brilliant" ideas as close Ukrainian-Iraqi cooperation. Vitaliy [as received] Radchenko, former deputy chairman of Ukrainian security service, became the interior minister. According to the press-center "Hot line", he was one of the KGB officers that persecuted dissidents, in particular, the family of V. Malynkovych. The latter says that Radchenko's appointment is something like the appointment of former Gestapo officer to one of the key posts in post-war Germany. Human rights protection organizations abroad published a lot of books giving the names of the most cruel oppressors of dissident movement. Radchenko is among 15 most "prominent" oppressors.

Some other dissidents stick to a different opinion. Rukh leader Chornovil says that he had quite normal relations with Radchenko when the latter head the Ukrainian security service division in Ternopyl region. Said one of former dissidents: "Probably it is not so bad to appoint the people like Radchenko in order to eliminate corruption in law enforcement bodies". It is up to Mr. Radchenko to prove who is right by his struggle against crime. Appointment of Valeriy Shmarov to the defense minister's post generates much more questions than answers. The official explanation of the appointment of the "first civil defense minister" cannot be trusted since all his previous work was closely connected with the armed forces and thus does not necessarily requires high military grade. It is quite probable that his appointment was due to his "Dnipropetrovsk" origin. In addition, Shmarov also worked at the Kiev radio plant that had close contacts with the missile plant in Dnipropetrovsk directed by L. Kuchma. After that, he was the first deputy director of the Ukrainian national space agency.

Still, it is worth reminding that Shmarov supported Kravchuk before the second round of presidential election and even after his appointment his approach to some problems differed from that of President Kuchma, in particular concerning the Russia-Ukrainian joint air defense agreement whose conclusion would violate the neutral and bloc-free status of Ukraine. Some experts say that said appointment was the result of Kuchma's intentions to balance the relations with Yevhen Marchuk (new vice premier dealing with the national security matters) whose two former deputies are now at the head of the interior ministry and national security service. In addition, being officially subordinate to Marchuk, Shmarov is also the vice-premier for the armaments industry and conversion which, in fact, makes him equal to Marchuk.

Trying to equally split the power between the two men, Kuchma made Marchuk the chairman of coordination committee dealing with the matters of the state borders. Before, the post was held by Shmarov.

Ivan Kuras became the vice-premier for humanitarian policy. Former communist apparatchik, director of the institute of international relations and politology, Kuras was famous for his ability to find a way out from many situations fraught with complications in nomenklatura environment. In 1992, he was an official opponent of D. Tabachnyk, head of Kuchma's administration, when the latter defended his Ph.D. thesis.

Experts have no questions only to the appointment of Serhiy Osyka to the post of the minister of foreign economic ties who was Kuchma's economic advisor from November, 1992. Osyka is expert on trade agreements and GATT.

Be that as it may, all new ministers are just "the driving belts" of the president whose "brain center"—administration—works on 11, Bankovska Str.

President's Administration—Who's Who

There are about 293 people in the president's administration. Out of them there are approximately 38 most important employees and 10- 15 persons directly affecting the president's decisions. It is important to analyze the process of formation of the president's team in two aspects—time and regional.

L. Kuchma started to establish the team when he was the premier of Ukraine. At that time, he included into the government V. Pustovoytenko, former mayor of Dnipropetrovsk. V. Horbunov, secretary of the national security council, then worked as director of the national space agency. V. Tabachnyk, head of Kuchma's administration, was then Kuchma's press-secretary. Before he worked in the parliamentary commission for the matters of young people headed by A. Matviyenko. P.Lelik, head of the interior policy board and once recommended to

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Kuchma by Vice-Premier Zhulinsky, appeared a little by later. All these people helped Kuchma win the presidential elections. A. Volkov who, like Tabachnyk and Lelik, started the Kuchma's presidential marathon, once said to journalists: "In the beginning, there were Tabachnyk, Lelik, Ryzhov and myself, then V. Pustovoytenko joined us and became the head of Kuchma's election team".

So, the team mainly consists of the Kiev and Dnipropetrovsk colleagues of the president. This fact may become interesting for our further analysis.

"Kievites"

Their leader is Dmytro Tabachnyk, head of the president's administration, who has become a focus of biased attention on the part of news media.

The Lvov weekly "POST-POSTUP", preferring the syllogism "Kuchma—bad", says that Tabachnyk is nothing but a convinced careerist forgetting that careerism is a natural phenomenon in any business dangerous only if it is associated with crime. As I see it, Tabachnyk performs his duty with due zeal and does not deserve, as the weekly puts it, to be "sucked out to Moscow by imperial vacuum cleaner".

Said weekly calls Tabachnyk "an ideologic inquisitor who did not provide the true information about the Kuchma's cabinet compared to whom Kravchuk looks like a kid". "POST-POSTUP" also says that "Tabachnyk holds the post natural for the regimes tending to dictatorship". However, the truth is that in all democratic countries the post of "supreme bureaucrat" does exist in order to provide normal work of the authorities.

The fact that Tabachnyk provided journalists with the information that was desirable for Kuchma's cabinet is but natural since it is the job journalists to find other information sources.

It seems that journalists criticize Tabachnyk because he performs his duties much better than many of them.

Another edition of said weekly also lies saying that Tabachnyk once was a secretary of Dnipropetrovsk young communist league committee since at that time he could not be older than 15 years of age.

Other newspapers, like "News" and "KIYEVSKIYE VEDOMOSTI" prefer to praise Tabachnyk and other members of the president's administration beyond any measure. They call present him as the man making "brave and correct" political forecasts, the man rejecting both "the down to earth village patriotism and the obsolete political platforms".

In fact, such approaches are taken by news media to increase the number of newspaper copies and gain popularity.

In reality, D. Tabachnyk is a "self-made" man. Only a few of his contemporaries have scored the success as he has.

In 1984, Tabachnyk, then deputy secretary of the young communist league committee of the department of history of the Kiev university, started to write in University newspaper the articles about "the Lenin test that serves to check political maturity of students".

In February of 1984, he wrote a small book "Comrade Sharpshooter" telling about sharpshooter Lyudmyla Pavlyuchenko who was introduced to singer Paul Robson during a meeting in New York. The author almost shed tears telling how Robson took her hand and sang one of Stalin's favorite songs called "My country is big and free".

Tabachnyk gained popularity in 1990, when he published the articles about the political career of V. Shcherbitsky, first secretary of the communist party of Ukraine in "stagnation" period. In his articles, Tabachnyk often admired Shcherbitsky's political skills. He also wrote about the repressions during the Stalin and post-Stalin periods which received several prizes and awards.

To be continued....[end of article]

Kuchma Issues Directive on Wage Rate Agreement

LD0811225994 Kiev UNIAR in Ukrainian 2030 GMT 8 Nov 94

[FBIS Translated Text] Kiev, 8 Nov—Ukrainian President Leonid Kuchma has issued a directive on compliance with the general wage rates agreement under conditions of economic reform. Given that the passage of Cabinet of Ministers resolution 733 of 21 October 1994 "On pricing under conditions of economic reform" was in breach of the principles of the general wage rates agreement as far as trades unions' mandatory participation in deciding those questions was concerned, instructions have been issued for the Cabinet of Ministers without delay to consult Ukraine's trades unions under the procedure established; and for the social security parliamentary committee, with the participation of Ukraine's trades unions, to ensure constant analysis of changes in consumer prices and, if necessary, to present coordinated proposals to the Cabinet of Ministers.

Supreme Council Approves Wage, Benefits Package

WS0811122994 Kiev VECHIRNIY KYYIV in Ukrainian 29 Oct 94 p 1

[Article by UNIAN correspondent Ihor Karpenko: "Wages Have Increased, Now One Has To Find Money To Pay Them"]

[FBIS Translated Text] On 20 October, the Supreme Council approved a package of government-proposed documents regarding increases in wages, pensions, and social benefits. According to the Cabinet of Ministers' resolution "On Increasing Wages at State Enterprises, Institutions, and Organizations," wage scales and wages

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of workers employed by the state enterprises will grow four times, while the government's resolution "On Increasing Coefficient Determining the Basic Consumption Fund" will increase them 1.6 times in the fourth quarter of this year. The resolution "On State Assistance to Certain Categories of Citizens in October 1994" will double payments provided by the state to families with children and the unemployed. Families with 780,000 karbovantsi [K] of average income per capita will also be eligible for assistance. There were also resolutions regulating other payment hikes: student stipends—three times; compensations for Chernobyl victims—1.5 to three times; subsidies for funeral costs—K3.7 million (up from K2.1 million). In addition, 70 percent of costs paid by the household for utilities will be compensated by the state, but to the amount that should not exceed K250,000 per family if the previous payment fund [hroshovyy fond] was less than K780,000. Pensions will be increased 2-3.6 times (the lower the pension, the higher the increase). Allowances for the disabled was set at K370,000.

The basic subsistence minimum was set at K780,000. Inflation in November will show whether or not this is a sufficient amount. Each of the government's recent resolutions deserves closer examination, which will certainly be done in the future. However, the most important issue at present is the availability of funds to implement the adopted decisions. Deputy Prime Minister Ihor Mityukov, who presented a report at the Ukrainian Supreme Council, intended to explain what the adopted package will cost the state budget. But Supreme Council Chairman Oleksandr Moroz, who chaired the session, as usual disrupted the report maker and prevented him from disclosing all implications of the above documents.

Of course, it is impossible to conceal the figure for a long time. Sooner or later it will surface. According to unofficial estimates, this year alone, the government's social programs will cost at least K20-30 trillion. At the same time, the maximum deficit that the budget can endure this year is K109 trillion—10.9 percent of the gross national product, compared to 10 percent allowed by the IMF. It stands to reason that in the fourth quarter, budget revenues will continue to decline, while the Ukrainian legislature set the limit for money issues at K18 trillion. So, it will be impossible to cover additional costs without damaging the already planned outlays. This is why the idea of salary and pension hikes was criticized by Volodymyr Lanovyy and Viktor Pynzennyk. The latter believes that a 7-fold wage increase will fuel inflation 9- 10-fold.

In the words of Mykhaylo Doroshenko, head of the president's press service, Leonid Kuchma also thinks that assistance targeted at the most needy will be just enough for this year. Otherwise, there is a threat that the Ukrainian market may "explode," giving way to rampaging inflation.

Trade Unions Organize, Define Goals, Principles

WS0911105894 Kiev HOLOS UKRAYINY in Ukrainian 1 Nov 94 p 4

[Unattributed report: "The National Confederation of Trade Unions Created"]

[FBIS Translated Text] The National Confederation of Ukrainian Trade Unions [NKPU] held a Constituent Assembly at the Institute of Philosophy of the National Science Academy. The meeting was organized by the Independent Trade Union of Journalists, the United Trade Unions of Ukraine, a trade union organization of the Association of Pilots, the "Solidarity" Federation, a trade union of National Science Academy employees, the "Assembly" Trade Union Association, a trade union of investment and small businesses, and a trade union of joint ventures. The delegates and guests of the NKPU Constituent Assembly were greeted by Yuriy Buzduhan, head of the legislative commission for social policy and labor, and Eric Green, a secretary of the U.S. Embassy in Ukraine. At the meeting, the declaration and the Statute of the National Confederation of Ukrainian Trade Unions, containing fundamental principles and goals of the created organization, were approved.

According to information provided by the Organizing Committee, the Confederation will unite more than 800,000 members, which makes it the second largest association of Ukrainian trade unions and an influential force in the country's union movement and political life. A notable fact is that the NKPU comprised the association of intellectuals' trade unions covering virtually all employees of the non-state economic sector, which may result in a greater influence of the NKPU as state enterprises and institutions will transfer to different forms of ownership. Problems caused by this process are already experienced by Ukrainian pilots, who are forced to protect their rights and interests at more than 50 air companies operating in Ukraine.

Measures proposed at the meeting included negotiations with the Ukrainian Cabinet of Ministers to allocate funds to preserve jobs of highly qualified workers, preventing them from emigrating abroad; creation of the non-state pension and social protection system to improve social standards of Ukrainian citizens; guarantees for non- state sector employees confronted with insolvency or bankruptcy of their companies; efforts to improve the Ukrainian legal system. The Constituent Assembly adopted a number of appeals to state leaders, and came up with a proposal to redraft the Constitution's article 95 so it could reflect the rights and guarantees of trade unions.

The meeting's atmosphere left a pleasant impression: accusations of all possible wrongdoings sent to everyone and score-settling, so typical of our trade unions, were nowhere to be heard. On the contrary, the spirit of mutual understanding and unity of interests was prevalent.

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Moroz, Mytyukov Speak on Cooperation, Economics

WS0911113094 Kiev HOLOS UKRAYINY in Ukrainian 28 Oct 94 p 2

[Anatoliy Kraslyanskyy and Hanna Romantsova report on news conference by Ukrainian Supreme Council Chairman Oleksandr Oleksandrovych Moroz and Deputy Prime Minister Ihor Oleksandrovych Mytyukov at the Supreme Council in Kiev on 26 October: "Oleksandr Moroz: 'I Would Like All Branches of Power To Promote Consolidation of Society'"—all quotations marks as published]

[FBIS Translated Text] The Ukrainian Supreme Council chairman speaking on cooperation among all bodies of power in Ukraine stated: "This is an extremely important task, because we cannot work the other way. We should, in fact, live through at least the next three months, which will become a transition period to a new financial order. We will discuss the 1995 budget in November, or—at the latest—in early December. The 1995 budget will be based on new prices and expenditures for social protection of the people. A package of economic laws—specifying the situation of both an individual and an economic entity—will also be adopted.

Therefore, we are most of all requiring the commitment of those people who deal with management. I am referring, first of all, to the executive branch, because it takes a lot of responsibility on itself, and to the Supreme Council, which will draft the legal basis for all these moves."

A HOLOS UKRAYINY correspondent said: "Esteemed Ihor Oleksandrovych! As is known, an overall decrease in the national currency exchange rate first shocked Russia, and later Ukraine. Inflation progressed quickly, prices went up, and this situation has led to a degree of social tension. How will you—as deputy prime minister responsible for financial policy—explain the reason for this situation? What is the Supreme Council chairman's opinion on the issue? Does our legislature have appropriate levers to curb an overall decrease in the value of the Ukrainian karbovanets?"

Ihor Mytyukov answered: "The change in the Ukrainian karbovanets exchange rate has indeed become one of the key reasons for the comprehensive change in prices.

I believe that internal developments—observable on the domestic currency market for a rather short period of time—are the key reasons for this situation. I am referring to the accumulation of a considerable amount of available assets in karbovantsi in our commercial banks and the collapse of a few trust companies, which forced people to instantaneously withdraw their money from these organizations and invest elsewhere in the domestic market—primarily, the currency market and in commercial banks—to decrease interest rates on individual accounts.

The Cabinet of Ministers is currently cooperating closely with the National Bank to develop joint tactics for the next two months. The National Bank is supposed to assist in establishing a domestic currency market with its permanent currency reserves providing conditions for a gradual change in the currency rate, and avoiding currency fluctuations that took place this year."

Oleksandr Moroz said: "This situation can be simply explained by the fact that, for example, the state has issued credits for grain purchases and this resulted in a decrease in the karbovanets exchange rate. Let us, however, look at this issue from a different perspective. When we—in the first half of 1994—issued credits standing at some 80 trillion karbovantsi [K], the dollar exchange rate in the third quarter of 1994 did not grow. The issued credits were backed by goods, therefore, the monetary unit was also backed by goods. Such targeted credits can support the economy and do not lead to decreases in the karbovanets rate. Inflation expectations in this case played the role of a detonator.

All the aforementioned reasons should be discussed in conjunction with each other, so that we could later arrive at a correct decision. When we are discussing monetary ways of fighting inflation and devaluation, we should pay attention to the following fact: According to statistics, the inflation rate has been increasing at a rate of 7 percent per month, and production—10 percent.

The point is that we should fix our attention on the fact that the inflation increase could lead to a growth in production under specific circumstances.

Can the Supreme Council influence such developments? In my opinion, it can exert this influence, first of all, if we and executive bodies act unanimously. I am referring to the drafting of laws guaranteeing stability for corresponding decisions by the executive branch."

Of course, price increases have become one of the most acute issues.

Oleksandr Moroz commented on this situation in the following way: "The people, of course, are concerned by price increases. They fully realize that wage increases do not compensate for price increases. Given inflation, especially hyperinflation, no one in the world has used monetary methods to curb this disproportion.

Taking this fact in consideration, the Supreme Council cannot stay on the sidelines of this process. Yes, we have supported the president's intentions regarding the introduction of mechanisms freeing the economy. Our current task is to regulate this process in a few sectors of our economy, so that efficient production could compensate for the negative consequences of price increases. If we manage to do this, price increases would not result in such consequences, which might have emerged if it is done otherwise.

The social protection of the people is primarily referring to the stimulation of production and providing labor

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incentives. This will soon be reflected in the law on wages, which will involve both the process of production, its monetary equivalent, and workers' wages. Ihor Mytyukov added that—given the current situation—the state will only continue to subsidize foodstuffs. He said that the government is completely changing the targets of subsidies. Subsidies will be issued to those people who indeed require support from the state. Subsidies, or, to be more exact, expenditures—which are accumulated due to reduced subsidies for producers—will be issued to consumers. We have drafted this model providing for the situation when the least- provided-for segments of society will be supported by the state to a greater extent than those people who are better off.

Journalists then asked the Supreme Council chairman to comment in more detail on what was implied by the two or three difficult months mentioned at the very beginning of the news conference.

Chairman Moroz gave the following answer. He said that these are the months preceding the new year, the months, during which a new budget will be adopted before the laws—mentioned at the very beginning of his speech—are implemented. This will be an entire package of laws regulating and organizing the production sector and specifying both workers' roles in the process of production and workers' wages.

During these months we will act according to the situation. We will take into consideration the fact that both welfare and wages will be indexed on the basis of the November-December price index.

I would like to draw your attention to the fact that we, however, are usually late with the introduction of indexation, this system came into force in October. We will have specific budget reserves for a specific family so that people can live more or less adequately through this period of booming prices.

Responding to a question as to what was his reaction to the appeal by a group of deputies published in a newspaper, Oleksandr Moroz answered: "This is symptomatic when a group of deputies addresses the Supreme Council chairman through a newspaper. In my opinion, this will be the last appeal because it raises issues which are completely ungrounded. If the Supreme Council Commission for Ethics addresses me and says that it is necessary to clarify some circumstances, I will gladly meet with its representatives.

I did everything to aid our poor people. If some people do not like this, this is their business. Everything could be easily checked (they should not have written letters to me), including how the money for treating people was spent. When this is done, no one will issue provocative, slanderous suggestions claiming that Moroz mixes up the state's pockets with his own. Eventually, I respect myself and I have my honor. Therefore, I will simply not respond to those kinds of publications."

As for the expedience of temporary measures to legalize the shadow capital market, O. Moroz stated: "Issuing declarations by Ukrainian economic entities which are holding accounts in foreign banks is one of the important tenets of the presidential edict devoted to fighting corruption and organized crime. In my opinion, some two-thirds of such accounts have been declared.

There are two ways to secure the return of these assets to Ukraine. The first one is a benevolent one. Businessmen can declare that their capital is working for the benefit of Ukraine abroad and they will take their assets back to Ukraine. We will establish conditions for the efficient work of their capital here, so that new jobs for our people could be created, and so on.

If the owners of these accounts do not pay attention to such noble behavior on the part of Ukrainian authorities, we should use the Criminal Code of Laws, however, before doing this, the owners of foreign accounts should be given the opportunity to return their capital to Ukraine; they will not give their money to the state—they can use it efficiently. We do not need the $380 million which the IMF or the World Bank has promised to issue to us. We should secure the return of tens of billions of dollars—though we know that Ukraine has imperfect laws— which have been made on the basis of Ukraine's wealth. In addition, there is a third option: We could return these assets by force—using international agreements and expertise—and treat their owners as criminals."

Responding to a question on whether the positions—of the president, prime minister, and Supreme Council chairman—on ways of implementing economic reforms will coincide, O. Moroz answered: "The Supreme Council spent only one week discussing the presidential report. It was of rather a political nature, therefore, we supported the president's proposals. Different people took part in the discussion, they criticized a few components of the president's program, however, the general opinion was as follows: Executive bodies should be allowed to act independently, so let us establish a legal basis for their activity and begin work.

We cannot make mistakes now. Disagreements between various branches of power could be one such mistake.

In my opinion, we have no grounds for any disagreements.

Both the president and the Supreme Council should create conditions providing for the efficient work of the Cabinet of Ministers. We cannot fulfill the mission of the 400,000-strong army of executive officers in Ukraine."

Responding to a question on whether the Crimean legislature will bring their laws into conformity with Ukrainian legislation, O. Moroz stated: "I spoke with Serhey Tsekov and the Crimean prime minister some days ago. I again talked to Serhey Tsekov over the

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telephone yesterday. I am convinced that the Crimea will take steps to bring its legislation closer to ours."

As for Ukraine's debts to Russia, O. Moroz reported that corresponding ministries and departments of Ukraine have been instructed to draft an agreement on delaying their payments. Negotiations on this subject will be held in the immediate future. A comprehensive agreement has been reached and only technical details should be discussed. Oleksandr Oleksandrovych is convinced that they should press for the so-called "zero option" which could become part of a complex agreement on the apportionment and restructuring of our debts.

The issue is raised the following way: For example, effective 1 November, Ukraine begins to settle its current debts, while all previous debts would be reconsidered, restructured, and delayed for three, seven, or even 10 years. This will be the subject of future negotiations."

As for the issue regarding the specific results of reviewing the use of credits issued for grain purchases, Ihor Mytyukov said: "The procedure of issuing such credits and holding mutual accounts allowed for their use not according to their purpose. This procedure is currently being reviewed."

Speaking on the Supreme Council's consent to introduce criminal proceedings against People's Deputy Yukhym Zvyahilskyy, O. Moroz stated: "I support the situation when such issues are resolved in the presence of a people's deputy, however, the law also foresees other options. If the Prosecutor's Office issues a corresponding decision, we will adopt our decision on the issue in the immediate future."

Answering a question on whether specific people have been charged with responsibility for the sharp drop in the karbovanets exchange rate, O. Moroz said: "The Supreme Council Commission for Budget Issues is studying this issue. The position of the National Bank or commercial banks, or the procedure for issuing credits cannot resolve the issue. This problem should be discussed in conjunction with all its nuances, and we should take into consideration foreign influence. Our economy is also dependent on the economic situation in Russia, as well as in other states."

Answering this same question, Ihor Mytyukov added: "We are threatened not so much with the drop in the national currency rate as with the lack of prognostication regarding its dynamics. Therefore, we should do everything to coordinate our activities to stabilize the karbovanets rate."

Oleksandr Moroz and Ihor Mytyukov also answered other questions from journalists.

CDP Calls For Vote Against Communists

WS0811133894 Kiev VYBIR in English 2130 GMT 7 Nov 94

[Statement issued by the Ukrainian Christian-Democratic Party "in connection with consumer goods price growth;" place and date not given]

[FBIS Transcribed Text] The communist and socialist paradise, that was promised during the parliamentary election campaigns, has become a reality.

The parliamentary majority has delivered a crushing blow, first and foremost, on members of socialist and communist parties and their supporters, mostly represented by retired people and war vets. As a result, the living standards of many people are below the level of survival.

The parliamentary factions of democratic orientation often warned that raising the minimal wages and pensions without the growth of production output, without adequate mechanism of helping poor people would accelerate inflation and lead to economic collapse.

We treat such actions of communists and socialists as an attempt to undermine the president's efforts in the field of economic reforms.

We call upon the people of Ukraine to take an active part in the additional parliamentary elections on November 20, not to vote for representatives of communists and socialists that turned you into beggars.

Odessa Officials Issue Order To Economize Power

WS0811144994 Kiev INTELNEWS in English 0120 GMT 6 Nov 94

[FBIS Transcribed Text] Odessa, Nov. 4.—The Odessa oblast Rada this week issued an order imposing strict electricity economy measures, according to a local television report. The instructions indicate that rural regions will periodically experience power outages, that all electric-powered advertising media should be turned off, and that all dachas and summer cottages will have their electricity cut off for the duration of the energy crisis. Schools and universities will work on weekends, and have their days off during the week.

Meanwhile, Rector of Odessa State University Igor Zelinskiy said the university has had its electricity account limited by a third as compared to last year, and as a result will no longer hold evening courses.

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Belarus

President Plans Return From Medical Treatment

WS0911084994 Minsk Radio Minsk Network in Belarusian 0400 GMT 9 Nov 94

[FBIS Translated Text] The RID press agency has learned that Belarusian President Alyaksandr Lukashenka is expected to return today from Sochi, where he has been undergoing medical treatment following medical consultations in Moscow on 2 November. It is expected that Lukashenka will participate in the Supreme Soviet's debate on new legislation for elections of Belarusian people's deputies.

Government Prohibits Use of Russian Ruble

LD0811211594 Moscow INTERFAX in English 1842 GMT 8 Nov 94

[FBIS Transcribed Text] The Belarussian [Belarusian] parliament officially prohibited the circulation of the Russian ruble on Belarussian territory from November 8, an Interfax correspondent reports from Minsk.

Belarussian parliamentarians excluded from provision 16 of the law on the National Bank of Belarus a paragraph providing for the circulation of the Russian ruble on Belarussian territory as legal tender today.

In accordance with the new reading of the provision the Belarussian ruble is the national currency unit of Belarus. Banknotes issued by the National Bank of Belarus will be used for cash circulation.

The Belarussian parliament rejected the new reading of provision 5 proposed by Chairman of the National Bank of Belarus Stanislaw Bahdankevich. Bahdankevich proposed that the National Bank of Belarus independently decide on the amount of money and credit issue. Parliamentarians decided that the amount of money issue and the guidelines for the monetary-credit policy of the National Bank of Belarus would be discussed every quarter and approved by the parliament.

Bank Official Explains, Discusses Price Policy

WS0811144794 Minsk Radio Minsk Network in Belarusian 1300 GMT 8 Nov 94

[Report by Mikhail Rudkowski]

[FBIS Translated Excerpt] [passage omitted] Following their initial discussion of miscellaneous items and agenda details during today's reconvening of the Supreme Soviet session, the assembled people's deputies began discussing changes and addenda to a law governing the National Bank of Belarus. The floor was taken by National Bank Chairman Stanislaw Bahdankevich. He explained to the deputies the current monetary policy of the Republic of Belarus. I have asked Stanislaw Antonavich Bahdankevich to explain the essence of the amendments which will be introduced to the Law on the National Bank of Belarus.

[Begin recording, in Russian] [Bahdankevich] The essence of all amendments is to bring the law currently governing the National Bank in line with the new Belarusian Constitution. Article 145 of the Constitution endows the National Bank with broad powers for regulating currency and credit turnover. Now, it is our desire to bring our law in line with the Constitution. I am afraid that there will again be discussion without any resolution, and this will impede the work of the National Bank.

[Rudkowski] What about the people holding dollars?

[Bahdankevich] What is proposed? All shops currently operating on a dollar basis will simply operate with rubles. There will be a currency exchange outlet in shops. You take your dollars, exchange them for rubles, and buy your suit. This is the way this is done in Poland, Spain, France, England, and other places where national currency is honored. [end recording]

Trade Unions Propose 'Round Table' on Reforms

WS0911105994 Minsk BELAPAN in English 1800 GMT 8 Nov 94

[FBIS Transcribed Text] The Presidium of the Council of the Federation of Trade Unions of Belarus (FTUB) holds that the execution of the Program of Urgent Measures for Leading the Economy out of Crisis is ungroundedly dragged out, FTUB Chairman Uladzimir Hancharik declared at a press conference on 8 November. According to him, a number of arrangements aimed at stimulation of industrial production, development of priority directions and structural transformation have already failed to be carried out in conformity with the established terms. And what is more, some decisions alleged to be taken in the name of the implementation of the Program are at variance with the laws currently in force.

In view of this, the FTUB proposed the holding of a round table with the participation of representatives of the government, entrepreneurs, employers, trade unions and political parties with a view to discuss the course of implementation of the program, to specify some points of it and to outline additional measures for its unconditional execution.

The FTUB also suggests that consultations with the parties that signed the trilateral General Agreement for 1994 should be held in November on the problems of labor payment regulation. According to U. Hancharik, the trade unions intend to keep on pressing within the framework of the law for the abolishment of the normative documents contradicting the Constitution and laws currently in force, as well as international standards. The FTUB chairman declared that if the proposals of the federation are disregarded by the leaders of the Republic, it is not ruled out that the trade unions will go over to

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active mass actions for championing socio-economic interests of working-people as the situation in the country is becoming worse and worse.

Economist on 'Grievous' Agriculture Situation

WS0911114094 Minsk BELAPAN in English 1430 GMT 7 Nov 94

[Article by Doctor of Economic Sciences Ivan Nikitchanka from the "Analysis, Commentaries, Forecasts" feature No. 4, 31 Oct-7 Nov 94]

[FBIS Transcribed Text] For some reasons, the agrarian sector of the Belarusian economy has dropped out of the public's field of vision. State officials are not inclined to commenting on the situation in this sector, either. Obviously, this is caused by the grievous situation in agriculture and by the fact that the Government has no program for taking the sector out of the deadlock.

The situation is really disastrous, especially as compared with the state of affairs before the beginning of the so-called "reforms." Since 1990 agricultural production has shrunk almost by 100 percent. For instance, in the first eight months of the current year only 264 kg of milk were produced per capita against 499 kg in 1990. In this period 58 kg of meat per capita were sold, which is two times less than in the same period of 1990. The tendency of drop in production and reduction in the total number of livestock is persistent. For the first eight months of 1994, the number of large horned cattle reduced by 408 thousand heads, including 38 thousand cows. In August alone the reduction of the total livestock was over 120 thousand heads, including over 6 thousand cows. During the years of "reforms" Belarus lost over 1.7 million heads of cattle, i.e., the equivalent of the whole livestock of the Minsk Oblast.

This year's laying-in of fodder fails, too. By mid-October farms stored up about 1.28 tonnes of forage per head (demand—2.2-2.3 tonnes). As a result, next year, according to my forecast, about 300 kg of milk and 52 kg of meat will be produced per capita, which is far below the recommended norms of nourishment.

The situation in plant-growing is not better. This year's productivity was less than 2.6 tonnes per hectare, and the gross harvest stood at less than 6 million tonnes. As never before, this year's productivity of potatoes is poor—about 9 tons per hectares. Taking into account that a part of the yield will be used as a seed-fund, approximately 600,000 tonnes (about 600 kg per capita against 1,100 kg in 1990) will be left for food purposes. We have not available official figures for other crops. But preliminary data indicates a considerable drop in productivity. Next year does not promise well, either. Winter crops were sowed practically without fertilizers and frequently with unprepared seeds.

The financial state of farms makes experts give up hope for changing the state of affairs in the agrarian sector for the better. Only some collective and state farms, which, as rule, have their own processing enterprises and trade outlets can make both ends meet. As of October 1, the farms owed about 150 billion rubles to various organizations. Workers at state farms and collective farmers have not been given wages for several months. Inflation eats agrarians' incomes, low as they are. For instance, to judge from rise in exchange rates of foreign currencies, in August inflation was at 37 percent, in September—51 percent; in the first half of October—5 percent. During Aleksandr Lukashenka's period in office inflation was at about 130 percent. As a result, the July wages that were distributed in some farms only in September amounted to 63 percent of the wages that were distributed at the beginning of August.

The present government does not adopt any practical measures to take the agrarian sector out of crisis. Quite the contrary, the latest moves of the government aggravate the situation. The August injection of "empty" money into the agrarian sector gave nothing but a new impulse to inflation. Under the conditions of complete anarchy, the great bulk of that money came to the wrong address. Even at present the farms still owe over 23 billion rubles for fuel. Meanwhile the most part of those resources revealed itself on the black market to be successfully turned into cash dollars. As a result, at the end of September the US dollar was valued at 5,830 Belarusian rubles against 2,796 rubles at the beginning of August. The mechanism of such operations is well adjusted. If the state bodies aimed at the prevention of economic crime had inspected the firms buying cash dollars for cashless rubles, they would have revealed the system of a large-scale plunder of state resources. And the whole nation will have to pay for that insufficiently considered, or, perhaps, well-considered action. Prices for the basic resources rose over 100 percent, and the end to this rise is nowhere in sight. For instance, within a month the price of a tonne of diesel fuel rose from 350 thousand to 720 thousand rubles. By October 13, a new raising of prices for fuel was announced. This alone will entail a threefold or fourfold jump of prices for foodstuffs by the end of the year. The grievous financial state of farms is aggravated by a fallacious procedure of state purchase. As before the producer gives the results of his labor at the prices arbitrarily fixed by state functionaries. The prices, as a rule, are not adequate to production expenses, which entail the unprofitableness of all agrarian produce. At the same time processing and trade enterprises make ungrounded profits. For instance, this year a tonne of rye was bought by grain-reception centers from farms at 150,000-180,000 rubles, a tonne of wheat—at 250,000 rubles, whereas the flour from this grain was sold to bread- baking plants at 329,000 and 1.2 million rubles, respectively. A liter of milk (3.4 percent of fat) costs milk processing plants 190 rubles (new purchase price). Having dissolved it with water to 2.2-2.5 percent of fat, milk processing plants sold it to trade outlets at 300 rubles, i.e., they receive 450 rubles for the same liter of farms' milk. Thus the grinding cost 2-4 times the price of producing grain, and the simple

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packing of milk brings in 2.4 times the money milk-producers are given. That is why, as A. Drazdow, chief of the Central Economic Board at the Ministry of Agriculture and Foodstuffs, declared in an interview to the "SOVETSKAYA BELORUSSIYA, the processing enterprises "are firmly standing on their own feet." And his deputy, Mrs. T. Dekhtyariova should be aware of this. In an interview to the NARODNAYA HAZETA, she proposed the raising of retail prices, in particular, by 110 percent for milk and pork, by 70 percent for beef. Where is the end to all of this? Today's prices are more than most people can afford. I cannot pass over in silence the disgraceful goings on in payments. Milk, meat, flax and other processing enterprises do not pay for raw material in time as they are ill-timely paid by trade enterprises. Enjoying their monopoly the trade enterprises do not rush through payments, they derive additional profits repeatedly passing the resources through trade turnover. The president's decree on conferring extraordinary powers on the Ministry of Trade only strengthened this monopoly. As a result, trade enterprises may legally fix at will ungroundedly high prices for another's products, and give an impulse to inflation in that way. Both producers and consumers suffer from this. According to the decree, farms have no right to sell their produce to anybody but state-owned trade enterprises. By October 1, non-payments to farms totalled over 130 billion rubles. Among the debtors are meat processing and packing plants (39.5 billion rubles); milk processing plants (about 25 billion rubles), trade enterprises (16 billion rubles). As the statement indicates, economic laws should not be interpreted at somebody's discretion. A slightest ignorance, voluntarism entails deplorable results. Unfortunately, common people have to pay for the government's mistakes.

Communists 'Appeal' to President on 'Promises'

WS0911110694 Minsk BELAPAN in English 1400 GMT 8 Nov 94

[FBIS Transcribed Text] The participants of the holiday actions that were organized by the Party of Communists of Belarus on the occasion of the 77th anniversary of the October Socialist Revolution made an appeal to President of Belarus Alyaksandr Lukashenka. The appeal, in particular, reads: "Coming to power you promised a lot to working-people. But having taken office you interpreted too freely the results of the elections. Nevertheless, many people have not yet lost the hope that you will fulfill all promises in contrast to those foreign presidents who declare one thing before elections and do another thing after the elections". The authors of the appeal caution the President against ingratiation with the IMF, which may lead to the ruin of the Republic and Belarusian people, as well as suggest that the President should initiate an alliance with Russia, put an end to the capitalist reforms, stop the offensive against the soviets of people's deputies.

PCB Expresses 'Resoluteness'

WS0911110094 Minsk BELAPAN in English 1800 GMT 8 Nov 94

[FBIS Transcribed Text] The Party of Communists of Belarus (PCB) has made a statement in which it expresses its resoluteness to protect soviets and put the Republic back on the way of socialist development. Anxious about the "anti-popular" policy of the ruling circles, the PCB suggests that at the spring elections the citizens of the Republic should send their real representatives to the Supreme Soviet with a view to radically change today's policy of betrayal of national interests, to give back working-people what was taken away. The statement also calls upon the public organizations to champion the interests of work people, to combine their efforts for attaining the aforesaid purpose at the elections. The Communists urge working-people to unite "for liberating our great Motherland from the occupation of international capital and its local fawners".

Military Recruits Opine Low Enthusiasm Level

WS0811123394 Minsk BELAPAN in English 1430 GMT 7 Nov 94

[Unattributed report from the "Analysis, Commentaries, Forecasts" feature No. 4, 31 Oct-7 Nov 94]

[FBIS Transcribed Text] Experts at the Educational Work Board of Belarus' Ministry of Defense have summed up a public opinion poll among the recruits who were called up to military service this year. According to the poll, about 40 percent of the fresh soldiers declare frankly that, in their opinion, military service is just the waste of time for them. They do not condemn those who succeeded in evading military service. Over 60 percent of the polled recruits said that they had not evaded military service because they were afraid of being made answerable in connection with the violation of the law on universal military obligation. Only 30 percent of the polled soldiers established that military service was their constitutional duty. Practically all recruits had been aware of a specific character of relationship between the fresh soldiers and the "old" ones as well as other negative aspects of military service. Besides, most former students at vocational training schools and inmates of children's homes had come across mockery, humiliation, extortion, and physical violation. The poll is also evidence of the fact that most recruits are perfectly indifferent to religion. However, almost all believe themselves to be Orthodox or Catholic, but they never took part in any rites. As it turned out, only about 20 percent show interest in literature, music, history, etc., have a certain world outlook, and adhere to a position. Over 40 percent have no settled opinions and should be, in the experts' opinion, the object of an intent attention from commanders.

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Moldova

Dniester Official Calls For 'Special Status'

AU0911113894 Chisinau BASAPRESS in English 2115 GMT 7 Nov 94

[FBIS Transcribed Text] Chisinau BASAPRESS, 7/11/1994—"The Dniester region can coexist with Moldova within a single state within Moldova's current borders," Grigoriy Marakutsa, Dniester Supreme Soviet chairman, stated on the Tiraspol radio. He mentioned that this would be possible only if the eastern districts receive a special juridical status. "We should have the right to resolve our political, economic, and cultural problems," Marakutsa said. He said that the talks between Chisinau and Tiraspol "do not stagnate" and this gives optimism. Referring to the celebration of the October Revolution by Tiraspol, Marakutsa pointed out that the Soviet period "was a historical stage for our country" and the Dniester region will not give up this celebration, though in 1994 it will not be celebrated so pompous as in the Soviet period. The Tiraspol officials suggested local administrative bodies celebrate 7 November. The last meeting between Chisinau and Tiraspol experts on elaborating special juridical status for the Dniester region was held two weeks ago.

CSCE Emphasizes Dniester 'Problem' Settlement

AU0911122794 Chisinau BASAPRESS in English 2115 GMT 7 Nov 94

[FBIS Transcribed Text] Chisinau BASAPRESS, 7/11/1994—Today, the conference on "Decentralization, Federalization, and Autonomy—Principles and Practice of State Organization and Security" began in Chisinau. It is organized by the Helsinki Citizens Assembly to Moldova and the CSCE mission to Moldova. In his opening speech, Richard Samuel, chairman of the CSCE mission to Moldova, emphasized the importance of preserving Moldova's integrity within its current borders. Therefore, several variants of settling the Dniester region problem should be considered, Samuel said. He mentioned that the CSCE mission representatives took part in the last three meetings between Chisinau and Tiraspol leaders and they believe that a solution could be found. Referring to the Dniester problem, professor Murray Forsyth, director of the Center of Researching Federalism Issues from Leicester University, Great Britain, said that it is not good that a small state like Moldova should have a federal structure. Ivan Koedzhikov, Council of Europe (CE) Political Adviser, praised constitutional Article 111 on granting special status to some regions. Koedzhikov also said that Moldova fulfilled most conditions to be accepted to the CE. "After signing the CE documents, both central and local administrations will have to respect human rights," said Koedzhikov. Also today, Paolo Magagnotti, representative of the Trentino Alto Adige autonomous region, Italy, Benjamin Segarra, counselor at the Valencia Regional Government, Spain, and Andrei Riabov, deputy director of the Gorbachev Foundation Political Program in Moscow, presented reports. Riabov assessed the attributions Finland had within the Russian Empire, concluding that a special status for a region could be granted if there is a balance of experience which should not be imbalanced by violations of human rights. Experts from Russia, Canada, Switzerland, France, Great Britain, Italy, Spain, and the United States attend the conference. The Comrat administration [Gagauz region] is represented by a significant group of officials; Gimn Pologov and Andrei Safonov represent the eastern districts. According to some unverified data, Dniester speaker Grigoriy Marakutsa was to take part in the conference.

Dniester Communists Call for USSR Restoration

AU0911114294 Chisinau BASAPRESS in English 2115 GMT 7 Nov 94

[FBIS Transcribed Text] Tiraspol BASAPRESS, 7/11/1994—Today activities devoted to the October Revolution were held in the Dniester region. The anniversary of the October Revolution is an official holiday in Dniester. Several thousands of people took part in a parade and a rally. The city was adorned with communist symbols. In their speeches, Dniester communist representatives called on restoring the USSR and socialist rule. They also criticized 14th Army Commander Genera; Aleksandr Lebed, who was accused of undermining Dniester's statehood and taking out of Dniester valuable armament. Igor Smirnov, Dniester president, also delivered a speech. He said that the "path traced out by the Great Socialist Revolution is our path." Smirnov admitted that the economic situation is difficult and announced a drastic raise in bread and food prices. He said that in February 1995 local elections will be held in the Dniester region. The rally adopted a resolution demanding the restoration of the USSR.

Officer Layoffs Begin in 14th Army Units

AU0911113994 Chisinau BASAPRESS in English 2115 GMT 7 Nov 94

[FBIS Transcribed Text] Tiraspol BASAPRESS, 7/11/1994—Reliable military sources from Tiraspol told BASA that the 14th [Russian] Army Command resorted to layoffs in some of the 14th Army military units. The sappers' unit deployed in Dubasari was transformed into a battalion and part of the officers will be laid off. The facilities available after the military forces have left will not be passed to the local administrative organs as it was previously agreed, but will be conserved.

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Kazakhstan

Premier Criticizes State of Economy

LD0911101394 Almaty Kazakh Radio Network in Kazakh 0400 GMT 9 Nov 94

[FBIS Translated Text] Yesterday Prime Minister Akezhan Kazhegeldin chaired an extended meeting of the Cabinet of Ministers. Heads of regions, republican departments, and major agricultural associations attended the meeting.

The critical situation in some regions and branches of the economy was discussed frankly. In particular, it was stressed that the process of price and tariff liberalization must be completed by the end of the year and the adopted programs of economic reforms be implemented. This spring a sharp rise in prices badly affected enterprises, but during recent months the speed of inflation has been reduced by the targeted credit and finance policy.

Overall, the decline in production has decreased, but there are still no changes in some branches, such as the chemical and petrochemical industries, ferrous metallurgy, and machine engineering.

As usual preparations for winter at energy supplying enterprises are being carried out in an unsatisfactory way. Fuel supplies are insufficient because of a shortage of funds.

On average the price of the 33 main foodstuffs rises by one-third each month, while the population's incomes rise only by one-quarter.

The number of imported goods is increasing, while the export of Kazakh goods has fallen considerably.

These and other processes in the republican economy were discussed at the meeting. It was noted that edicts and resolutions by the Cabinet of Ministers are not always taken into consideration. The degree of implementation of the government's recommendations by state establishments is low.

Summing up the results of the meeting, the prime minister said that he expects loyal work from all administrative and production establishments, and that in order to fulfill the tasks set we need strict order, initiative, and stability.

New Body Will Monitor Privatization Process

LD0811213194 Almaty Kazakh Radio Network in Russian 1500 GMT 8 Nov 94

[FBIS Translated Text] The parliamentary hearings on the progress of the privatization process have been summed up, and recommendations to the Supreme Council have been adopted, so were instructions to the Cabinet of Ministers, to the State Committee for State Property, and to the office of the prosecutor general.

During the hearings speakers said there were many infringements of current regulations during the privatization process. It was emphasized that in addition to the objective reasons—newly adopted laws are imperfect and earlier ones are clearly obsolete—many wrong decisions have been taken by the State Committee for State Property, which is still operating as a kind of monopoly over state property.

Some proposals put forward by First Deputy Prime Minister Nigmatzhan Isingarin and by Petr Svoyak, chairman of the State Committee for Policy on Prices and Antimonopoly Measures, met with opposition as well as approval in the hall.

The final document contains specific proposals for amending the strategy and tactics of the privatization process. Supervisory functions in this sphere are to be assigned to a competent commission consisting of representatives from the Supreme Council and Cabinet of Ministers.

Kyrgyzstan

Akayev Voices Hope for Clean Elections

LD0811194794 Bishkek Kyrgyz Radio First Program Network in Russian 1200 GMT 8 Nov 94

[FBIS Translated Excerpt] The image of any state is determined not only by its economy or currency but also by what kind of parliament it has, Kyrgyz Pepublic's President Askar Akayev said when he took part in the work of a seminar held by the Central Election Commission on 7 November for the heads of constituency election commissions for the elections to a new Supreme Council. We urgently need a two-chamber parliament, the upper chamber of which will draft strong and effective laws while the lower chamber puts these laws into practice. It depends to a large extent on the activity of the local election commissions whether we acquire this sort of parliament, the president went on. At present they are not simply technical coordinators of the election arrangements but also the bodies which will decide the political face of the campaign. Let this face be impartial and honest, and let it make compromises neither with its conscience nor with any forces standing in the way of true democratic public elections.

Here are two more two wishes: However high the percentage of votes cast on election day, let it be a real percentage. And let the people from the most diverse social and ethnic groups of the republic's population enter the new parliament. [passage omitted]

Tajikistan

Government Statement on Failed POW Exchange Talks

LD0911100594 Dushanbe Radio Tajikistan Network in Tajik 0400 GMT 9 Nov 94

[FBIS Translated Text] Zafar Saidov, head of the Information Department of the Tajik Foreign Ministry, has

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told correspondents that Abdulmajid Dostiyev, head of the republic's delegation at the inter-Tajik talks and first deputy chairman of the Tajik Supreme Council, has sent a message to Ramiro Piriz-Ballon, the UN secretary general's special envoy on Tajikistan. It says:

The Government of the Republic of Tajikistan, declaring its adherence to the principles of a settlement of the inter-Tajik conflict through peace talks, has aspired and will aspire to the inviolate implementation of the agreements reached in Tehran and Islamabad. As confirmation of the obligations it has undertaken, on 5 November, the Government sent to a previously agreed exchange point, through the mediation of the International Committee of the Red Cross, an equivalent number of people under arrest, prisoners and prisoners of war, in accordance with the lists handed over during the inter-Tajik consultations in Tehran on 12-17 September this year. However, the representatives of the Tajik opposition did not appear at the place at the fixed time, which we consider a blatant violation of the appropriate clauses of the agreement signed by the sides. According to the accord which was reached, the agreement loses its validity if any side does not implement the aforementioned obligations by 6 November this year.

As a show of good will, the Republic of Tajikistan's Government continued to hold the people at the agreed exchange point until 8 November 1994. The Government of the Republic of Tajikistan will continue to make efforts toward implementing the agreements reached in the hope that the opposing side will also follow the clauses of the signed documents.

[Dushanbe Radio Tajikistan Network in Tajik at 0500 GMT on 9 November adds the following to this report:

"The UN Security Council has decided to issue a statement on the successful end of the third round of the inter-Tajik talks in Islamabad. However, because the Tajik opposition did not fulfil their promise to exchange Tajik army troops held as prisoners of war with the captured opposition on Saturday, approval of the statement has been postponed. The chairman of the Security Council reports this."]

Turkmenistan

Niyazov Tightens Discipline, Dismisses Vice Premier

LD0811171194 Moscow INTERFAX in English 1507 GMT 8 Nov 94

[From the "Presidential Bulletin" feature No 216 (706) compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] "Saparmurad Niyazov is determined to toughen discipline and enhance order in Turkmenistan," the president's Press Secretary Kamurad Balliyev told Interfax, commenting on the president's decision to set up a control service and dismiss one of the vice premiers.

He said that since the public control committee was disbanded in 1992, there had not been any agency that would perform similar functions. Given this, Niyazov stated back in July that he intended to set up a service that would exercise control over the implementation of the laws and the president's decrees and resolutions by the central and local government bodies, and by enterprises and organizations.

The president signed a decree on Monday appointing Vice Speaker of the parliament Aleksandr Dodonov to the post of leader of the Control Service. IF Note: After graduation from the Ashkhabad [Ashgabat] Hydrotechnical School in 1965 Dodonov worked with various building organizations. Since 1978 he has been active in the Communist Party, working his way up to the post of second secretary of the Turkmen Communist Party. Since November 1991, he has performed the duties of vice speaker of the Turkmen parliament.

Balliyev believes that the new service will begin its work by concentrating on the work of the Ministry for Agriculture and Food.

He also announced that Vice Premier Jorakuly Babakulyev who was in charge of the agrarian and processing branches, was freed from his duties on Monday because of "serious violations of discipline and inactivity" which slowed down the reform in agriculture. The dismissal was also due to "drawbacks" in the former vice premier's "work with foreign companies." The press secretary refused to specify them, saying that an investigation was on.

He said that in July former minister for agriculture Paizgeldy Meredov resigned.

Fifty seven year-old Matkarim Radzhapov was appointed to the post of vice premier. IF Note: In the period from 1991 to 1993, Radzhapov was a member of the presidential council. He held the post of vice premier and headed the Ministry for State Property. Subsequently, he left his posts for health reasons. Doctors assert that he has fully recovered by now.

Niyazov Receives Afghan General Dostam

LD0811214794 Ashgabat ASHGABAT AGSAMY in Turkmen 31 Oct 94 p 1

[FBIS Translated Text] Ashgabat 28 October (TURKMEN PRESS)—Turkmen President Saparmurad Turkmenbashy [Niyazov] this morning received General ['Abdol Rashid] Dostam, commander of the northern grouping [in Afghanistan]. The Afghan general thanked the Turkmen chief for his invitation to celebrate the third anniversary of Turkmenistan's Independence Day. He said the festivities, as well as the changes which have taken place in Turkmenistan since he visited this country exactly one year ago, greatly impressed him. During their

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conversation, the two sides touched on the situation in Afghanistan, and discussed the potential for future cooperation between Turkmenistan and the northern regions of Afghanistan.

Gen Dostam, who attaches great importance to Saparmurad Turkmenbashy's initiative announcing the Turkmen-Afghan border a frontier of peace and friendship, assured the president that the 600 kilometer section of the border they control—the border stretches a total of 850 kilometers—will meet the requirements for a frontier of peace in the future.

The northern region of Afghanistan is currently getting back to work and returning to a normal life, Gen Dostam said. Restoration of northern Afghanistan's economy calls for active cooperation with Turkmenistan, a peace-loving country which has found its feet in a very short time. In addition, they discussed trade and economic cooperation, in particular the possibility of supplying Afghanistan with Turkmen electricity.

Gen Dostam cordially expressed his gratitude to Saparmurad Turkmenbashy for his constant and consistent efforts directed toward maintaining peace in Afghanistan, and said the Afghan people have high praise for his mission to preserve peace.

Niyazov Receives Afghan General Khan

LD0811215594 Ashgabat ASHGABAT AGSAMY in Turkmen 31 Oct 94 p 1

[FBIS Translated Text] Ashgabat, 29 Oct (TURKMEN PRESS)—Saparmurad Turkmenbashy [Niyazov] this morning met with General Ismail Khan, commander of the northwestern grouping [in Afghanistan's Herat Province].

During their conversation, the general briefed the Turkmen president on his view of the situation in Afghanistan. He pointed out that the considerable degree of tranquillity in the northwestern region of the country is to a large extent due to Turkmenistan's policy of peace and noninterference in the internal affairs of other countries. Gen Ismail Khan expressed his gratitude to Saparmurad Turkmenbashy for his efforts to ensure peace, and noted their importance for the future. Afghanistan needs peace, no one in Afghanistan wants to see the country divided, and there is hope that sooner or later peace will be achieved in Afghanistan.

The Afghan general sincerely thanked Saparmurad Turkmenbashy for his invitation to celebrate the third anniversary of Turkmenistan's Independence Day. He expressed his hope that economic cooperation between the two countries will help Afghanistan overcome its crisis.

In turn, Saparmurad Turkmenbashy expressed his hope that the political forces in Afghanistan will overcome the obstacles standing between them, and that peace will be reached in their country.

President Appoints Oil, Gas Minister

LD0811233494 Ashgabat TURKMENISTAN in Turkmen 2 Nov 94 p 1

[FBIS Translated Text] Decree by the president of Turkmenistan appointing Comrade Khekim Ishanov, deputy prime minister of Turkmenistan, as minister of oil and gas of Turkmenistan.

Comrade Khekim Ishanov, deputy prime minister of Turkmenistan, is appointed as minister of oil and gas of Turkmenistan.

[signed] Saparmurad Turkmenbashy [Niyazov], president of Turkmenistan.
[dated] Ashgabat, 1 November 1994.

Ashgabat Allows Kiev 7-Year Gas Payments Delay

LD0811171794 Moscow INTERFAX in English 1507 GMT 8 Nov 94

[From the "Presidential Bulletin" feature No 216 (706) compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] Turkmenistan is to give Kiev a seven year delay in the payment of the $700 million debt for gas. This sum is to be transformed into a credit at 8 percent annually. The decision was taken as a result of the recent talks in Ashkhabad [Ashgabat] between Turkmen and Ukrainian presidents Saparmurad Niyazov and Leonid Kuchma.

The Ukrainian president's visit also produced an agreement on the procedure of making payments for gas in 1994, in accordance with which Ukraine's current $300 million debt is to be paid in November and December jointly by the International Monetary Fund, the European Union and Canada. This sum is to be part of the Western aid to Ukraine in accordance with the decision taken in Canada at the end of October.

No agreement on the supplies of Turkmen gas to Ukraine next year was signed. Informed sources in the Turkmen Cabinet believe, however, that such an agreement is likely to be concluded after the first payments of the 1994 debt are made. IF Note: In 1994, Turkmenistan pledged to supply Ukraine with 28.4 billion cubic meters of gas. However, when Ukraine's debt reached $700 million, the supplies were terminated in February 1994. In May, following the talks between the Ukrainian and Turkmen presidents, gas supplies were resumed on the condition that Kiev will quarterly pay Turkmenistan $78 million and export $200 million worth of goods. To date, only 11 billion cubic meters of gas out of the total annual volume has been supplied to Ukraine.

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Uzbekistan

Resolution Issued on Currency Covertibility

LD0911101894 Tashkent NARODNOYE SLOVO in Russian 9 Nov p1

["Resolution of the Cabinet of Ministers of the Republic of Uzbekistan on Increasing Resources for the Internal Convertibility of the National Currency," signed by Islam Karimov, chairman of the Council of Ministers; issued in Tashkent on 8 November]

[FBIS Translated Text] With the aim of broadening the resource possibilities for the formation of a currency market and ensuring the internal convertibility of the national currency, the som, the Cabinet of Ministers resolves:

1. that it is established that as of 15 November 1994 30 percent of foreign currency proceeds subject to compulsory sale by enterprises and establishments, irrespective of their form of ownership, are to remain as a whole at the disposal of the Central Bank of the Republic of Uzbekistan.

2. to recommend the Central Bank of the Republic of Uzbekistan to direct the aforementioned and also additional currency resources to trading on the Uzbek Republican Currency Exchange and ensure on this basis the conversion of soms for hard currency in the established order to legal and natural persons who have the appropriate licences from the Central Bank.

3. the National Bank of Foreign Economic Activity of the Republic of Uzbekistan and authorized commercial banks are to take measures to increase the volumes of hard currency put forward at trading on the currency exchange.

4. the Central Bank of the Republic of Uzbekistan and authorized commercial banks are instructed to increase supervision of the provision of specialized currency exchange bureaus with hard currency in the volumes necessary for the uninterrupted exchange of citizens' soms for hard currency.

5. point 9 of the decree of the Cabinet of Ministers of 11 April 1994 as regards the purchase of currency by the Ministry of Finance of the Republic of Uzbekistan, the Council of Ministers of the Republic of Karakalpakstan, and administrations of regions and Tashkent is to be considered no longer valid.

6. Supervision of the fulfillment of this decree is placed on Deputy Prime Minister Bakhtiyar Khamidov.

[signed] Chairman of the Cabinet of Ministers, Islam Karimov
[dated]Tashkent City, 8 November 1994.

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Armenia

Russian Envoy Says Military Base Agreement Imminent

NC0811193094 Yerevan SNARK in English 1345 GMT 8 Nov 94

[FBIS Transcribed Text] Yerevan, 8 November (SNARK)—An agreement on military base deployment in Armenia will be signed in nearest future. This announcement was made by the Russian Ambassador in Armenia, Andrey Urnov, during his meeting with Russian mass media correspondents accredited in Armenia. The ambassador told that the agreement - whose draft has already been prepared - should be signed at a level of Russian and Armenian presidents.

Issues of relations between the Armenian authorities and Russian journalists, as well as double citizenship problems were [item incomplete as received]

Increased Russian Presence in Karabakh Acceptable

LD0911121694 Moscow INTERFAX in English 1108 GMT 9 Nov 94

[FBIS Transcribed Text] Yerevan "is ready to take the risk" of the Russian military presence in Transcaucasia being increased, provided Russian troops exercise "appropriate control", Armenia's Foreign Minister Vagan Papazyan declared in an interview with Interfax in Yerevan Wednesday.

In his words, "all the conflicting parties and the sides concerned have realized that it is impossible to do without disengagement forces in Karabakh."

"Armenia in this sense is not an exception, Papazyan stressed. Our main concern has always been security guarantees for the Karabakh population. International security forces need to be deployed between Azerbaijan and Karabakh, if the issue is to be resolved."

In Papazyan's opinion, disengagement troops should remain in the conflict zone until the Karabakh problem has been settled at the CSCE conference in Minsk "with full-fledged Karabakh participation."

"We understand, however, the Russian side's desire to receive a mandate from the UN or CSCE for deploying its army units in the zone of confrontation," Papazyan said. "However, we do not object to other countries participating in the action also."

Meanwhile, a third round of talks began in Moscow to draft a comprehensive political agreement on a settlement in Karabakh. Russia has been mediating the negotiations.

Azerbaijan

U.S. Arms Control Agency Delegation Begins Visit

NC0811173194 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1300 GMT 8 Nov 94

[FBIS Translated Text] Control over weapons and armed forces is one of the most important problems troubling the international community.

The representatives of the U.S. Arms Control and Disarmament Agency have arrived in our Republic.

Foreign Minister Gasan Gasanov received the delegation today. After briefing the delegation on the current political situation, our Republic's Foreign Minister Gasan Gasanov stated that Azerbaijan fully complies with the decisions of the international organizations on the resolution of the war problem. The minister noted that four to five delegations visited Azerbaijan in the last year for this purpose and faced no obstacles during the inspections in Azerbaijan. However, despite all the recommendations, for some reason the experts avoid carrying out inspections in the occupied lands of Azerbaijan. Whereas, arms control in the Azerbaijani lands subjected to aggression, and hence in the territory of Armenia, is of greater importance.

Kazimirov Details Karabakh Peace Progress

954K0303A Baku ZERKALO in Russian 5 Nov 94 pp 1, 8

[Interview with Vladimir Kazimirov by S. Rashid and P. Rustam-zade; place and date not given: "'This Would Be a Pyhrric Victory, Whoever's It Were.' The Representative of the President of Russia at the Nagornyy Karabakh Negotiations Answers the Questions of a ZERKALO correspondent (as published)"]

[FBIS Translated Text] *The words of Vladimir Kazimirov, personal representative of the president of Russia at the Nagornyy Karabakh negotiations, are closely heeded both in Baku and in Yerevan. He speaks infrequently and sparingly, it is true. But on this occasion he revised the traditions, it would seem.*

[ZERKALO] You have this time flown from Baku from Yerevan [as published], the first question, therefore: On whose side do your sympathies and antipathies lie in a solution of the Karabakh problem?

[Kazimirov] I have a sufficient appreciation of both peoples, and I argue with both in order to keep myself "afloat." As a diplomat, I have to be certain that I am neutral; otherwise, I could not maintain a balance.

[ZERKALO] Each of us is today interested in the fate of Lachin and Shusha. Whereas an arrangement for the return of the peaceful population is expected with regard to Lachin, on the condition, it is true, of preservation of the Lachin humanitarian corridor, along which the movement of vehicles carrying combat equipment and

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shells is not ruled out, there is a total lack of clarity on the second issue.... So what is expected? Will there be an analogous corridor also from the Megri side for unimpeded liaison with Nakhichevan?

[Kazimirov] All that you have told me and all that I have heard in Yerevan convinces me yet again how complex these matters are. The different sides have polar-opposite opinions on the issue of Lachin and Shusha. You, for example, are afraid of what my Yerevan interlocutors do not fear.

[ZERKALO] What do they fear?

[Kazimirov] They believe that if an international security force and CSCE observers control this connecting corridor between Armenia and Nagornyy Karabakh, then, as we know from Soviet times, bribery and corruption could perform their sinister role. This is why we also cannot entrust the solution of this question to anyone.

[ZERKALO] There is no Solomonic solution, therefore?

[Kazimirov] Dear friends, you will have to comprehend the bitter science of conflict settlement by stages. You have, after all, done so much of everything to each other in these years and created a multitude of problems that there is no hasty Solomonic solution. The sole solution lies in balanced decisions. We need to begin from the beginning, as they say....

There are several stages of a settlement of the conflict. The first is the solution conclusively, on a firm basis, of the problem of a cease-fire. Fortunately, the arrangement on this question has held for several months now, despite individual exchanges of fire. But it is now time to go further, this must be consolidated. The "temporary road" is dangerous in itself, for there is no termination of hostilities, and the parties are free to regroup their forces and bring up reinforcements.

[ZERKALO] Is this what the Armenian side is doing?

[Kazimirov] I am not a military intelligence officer. I, as a diplomat, am simply stating possible ways out of the conflict. I will continue: So it is necessary to perfect mechanisms that will reduce to a minimum the possibility of a resumption of hostilities.... Until these components have been perfected, there can be no assurance of a transition to a solution of the question connected with the liberation of the captured territories. Stages cannot be jumped; it is essential to "dig in" at the first and switch to the second, to the liberation of the captured territories.

[ZERKALO] To total liberation?

[Kazimirov] Total, but phased. There are complex psychological problems here—an exchange of hostages, prisoners. When a neighbor's son returns from captivity, then there will be confidence that the war is coming to an end.... The return of the refugees is a very lengthy process. An end to the various blockades: Military, transport, energy, falls into this category of problems also. These are the four main directions at the second stage. Yes, Lachin and Shusha are painful questions. But I have explained to you how far off their solution is. Settle the first three questions, and then it will be the turn of this one also. What do you think, the Armenians will liberate these territories otherwise?

[ZERKALO] You mean that they have not taken them in order to return them....

[Kazimirov] No, they will be forced to liberate them. There will be nothing they can do when all matters are resolved. But if unresolved problems remain, the threat of a resumption of hostilities will arise.

[ZERKALO] You said that Azerbaijan and Armenia have "done" much in this time. What, if you will be so kind as to say, have we "done," other than lose 20 percent of our territory?

[Kazimirov] What have the people got to do with this? There are specific persons who made this mess; they should be held liable. Were there, after all, champions of a power solution of the conflict in Azerbaijan?

[ZERKALO] The Armenians were the first to open fire, the first to kill peaceful inhabitants. Azerbaijan was forced to defend its territory.

[Kazimirov] Naturally, both you and the Armenians have an acute and painful perception of the war. We also: After all, people are dying, and our Russian boys are becoming a live target. We perceive one another, as before, as some community. Historical experience shows that there are in these protracted conflicts no righteous, no winners. Each side bears a share of responsibility, blame, if you like....

[ZERKALO] But even if this is so, the shares of blame are different?

[Kazimirov] When we listen to the other side, they ask exactly the same question.

[ZERKALO] Excuse us, the war is happening on the territory of Azerbaijan—a sovereign, independent state—the Armenians have annexed our territory, and we get the impression from what you say that both parties bear virtually equal responsibility.

[Kazimirov] The main attention should be paid to one's own culprits; then the peoples would effectively influence the policy of their governments, pushing them toward peace. You should not always be accusing the enemy; you should adopt a critical attitude toward yourselves also. Let us support leaders who are for a peaceful solution of the question, not a war lasting 50 years....

[ZERKALO] You once let slip the words: Jerusalem's fate could befall Shusha. Does this not mean that the city will be divided into Azerbaijani and Armenian sectors, between which a line of demarcation would run....

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[Kazimirov] I did once permit myself this analogy, but I was misunderstood. Approached with such a yardstick, Russia would need to be cut down to Red Square proportions. This, if you will excuse me, would be progressive emaciation. The context here is different, namely: Each people considers this city the cradle of its history, culture....

[ZERKALO] Nonetheless, the Armenian news media are affirming with gusto that Shusha is an Armenian city....

[Kazimirov] We are not encouraging this.

[ZERKALO] There are fears in society that Azerbaijan will in the process of a peace settlement be compelled to agree to fettering conditions, for Armenia is behaving like a country that is victorious.

[Kazimirov] There is no victor country in this conflict. This would be a Pyhrric victory, whoever's it were.... It would result in vengeance through several generations; as in sport, a tie is essential.... Yes, I understand—losses, human casualties, pain. But we need to go forward. The peace settlement will be one-sided—the Armenians also are saying the same thing.

[ZERKALO] But Armenia's aggression is obvious. You are looking for the enemy of peace and cannot see him. What is this—political blindness or a diplomatic gambit?

[Kazimirov] I am not an arbitrator but a mediator. Let us take a short excursion into the not-too-distant past. Elchibey promised you a solution of the Karabakh question in a short space of time. The historical responsibility lies with him. It is he who led the people astray, creating the illusion of a near-term resolution of the problem militarily. Is it not here that the reasons for the capture of areas, one after the other, are to be found?...

[ZERKALO] It appears from what you say that to blame for the loss of our land is... Azerbaijan? This is absurd!

[Kazimirov] Yes. Unpleasant as it is for you to hear it. Had the path of a peaceful settlement been chosen from the start, much of what has happened would not have happened.... Yes, there are guilty parties among the Armenians also. You are naming them. But houses do not, for some reason or other, look for their own traitors.

[ZERKALO] And what about the principle of territorial integrity, which has been upheld repeatedly in UN resolutions on this conflict?

[Kazimirov] There are territories that have been captured both outside of Nagornyy Karabakh and inside it. Russia is from the viewpoint of its strategic interests (national interests also) a champion of the principles of respect for the integrity of territories and sovereignty.

But you are judging these four UN resolutions selectively. Truly, all these documents contain the demand for observance of these principles. But these resolutions point to the need for a termination of hostilities prior to the liberation of the captured territories.

[ZERKALO] But the republic is exhausted, more than 1 million refugees, and bread lines, and a cold winter lies ahead. Everyone is impatiently awaiting a solution of the question, but it is being dragged out for some reason or other.

[Kazimirov] It is understandable that you desire the speediest conclusion of the war. But understand: Stages cannot be jumped. I would like to ask you: Why are the agreements signed by the defense ministers in Moscow not working? Because from the outset the Azerbaijani side lacked a precise and clear understanding of the phased nature of a settlement of the question. Your side wanted at the very first stage to begin the liberation of the occupied territories. But it does not happen this way, this is the second stage. The Armenians, on the other hand, proposed after the first stage a pause. Then, later, the withdrawal of combat hardware and manpower. We doggedly insisted on the following: It is impossible to switch to liberation of the captured territories without the first stage.

[ZERKALO] And what does this first stage contemplate?

[Kazimirov] It is necessary, figuratively speaking, to separate the war on both sides and to afford an opportunity for a withdrawal of a certain distance. Ethical, humane principles do not work at the first stage. There is just one criterion—military-technical. That is, there is no political mentality here as yet, only military.

I spoke with Robert Kocharyan last year and urged him: "Make the first gesture, liberate voluntarily if only one city. Create a new dynamic in the direction of peace." He replied: "We understand, we will work in this direction, we will find a solution." They have not found it, since their mentality also is as yet in the military phase.

[ZERKALO] How, in your view, might the signing of the oil contract act as a catalyst in the elimination of the Karabakh conflict?

[Kazimirov] I am not competent to judge, but I believe that a major venture of an economic nature requires stability in the region. Whoever invests capital in the oil business in Azerbaijan will have an interest in stability. There is a direct dependence here.

[ZERKALO] Has the question of the possibility of the Azerbaijanis driven out of Armenia being accorded (on a parity basis) the status of an autonomy in Zangezur been raised at the negotiations?

[Kazimirov] No, this matter has not been raised. This is for the distant future, possibly. We need first to settle the question of the return of the refugees. Perhaps the parties might wish to discuss this option then.

[ZERKALO] But when it was a question of an Armenian autonomy in Nagornyy Karabakh, no one said that this was a prospect for the near or distant future. Now, however, when it is a question of an autonomy for the

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Azerbaijanis in Zangezur—in parallel with Karabakh—you insist on the distant future. How are we to understand this?

[Kazimirov] These are zones of compact habitation. But, after all, the Armenians could present you with claims in respect to Baku and Sumgait—this would be the subject of special negotiations. As far as the problem of refugees is concerned, it is one of the most complex. In the Abkhaz-Georgian conflict it is a one-sided problem; here it is a mutual problem. The Office of the High Commissioner for Refugees has for some reason or other proven to be passive, "hors de combat," in a resolution of these problems. This international body could be participating in the negotiations more actively. Documents have already been adopted, there are to be special negotiations, and agreements have been signed by the parties on the principles of voluntary return.

[ZERKALO] Has there been any movement at the negotiations?

[Kazimirov] Yes, and it is being displayed most in the parties' approaches. Whereas earlier, propaganda approaches were predominant, now their significance is diminishing. Although both parties still get carried away, I must confess.

[ZERKALO] You have often spoken of the need for a search for compromise in a solution of the Karabakh question. What in this case is meant by the word "compromise"?

[Kazimirov] Compromise is the intentional renunciation of some of one's own rights to ensure that the same rights are given up by the other party.

[ZERKALO] The opposition in both republics at times makes overstated demands on the leaders, demanding an instant resolution of the conflict.

[Kazimirov] This is the fate of all leaders who make the abrupt turnabout from war to peace. And this is inevitable, for why otherwise is there an opposition, if not to find fault with something; but, unfortunately, there is the opposition that thinks more about the struggle for power than national interests.

[ZERKALO] Let us put it differently. The modern sense of justice rejects the capture by force of others' territory and consolidation on the occupied land. Are you, in speaking of "compromise," taking as a basis the principle of the permanency of borders?

[Kazimirov] No! If parties arrive at a voluntary accord (I am not applying this to this conflict), it is possible to speak of the exchange and partial relinquishment of territory. If you yourselves make adjustments in the business of the recarving of borders, well, go ahead, no problems....

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